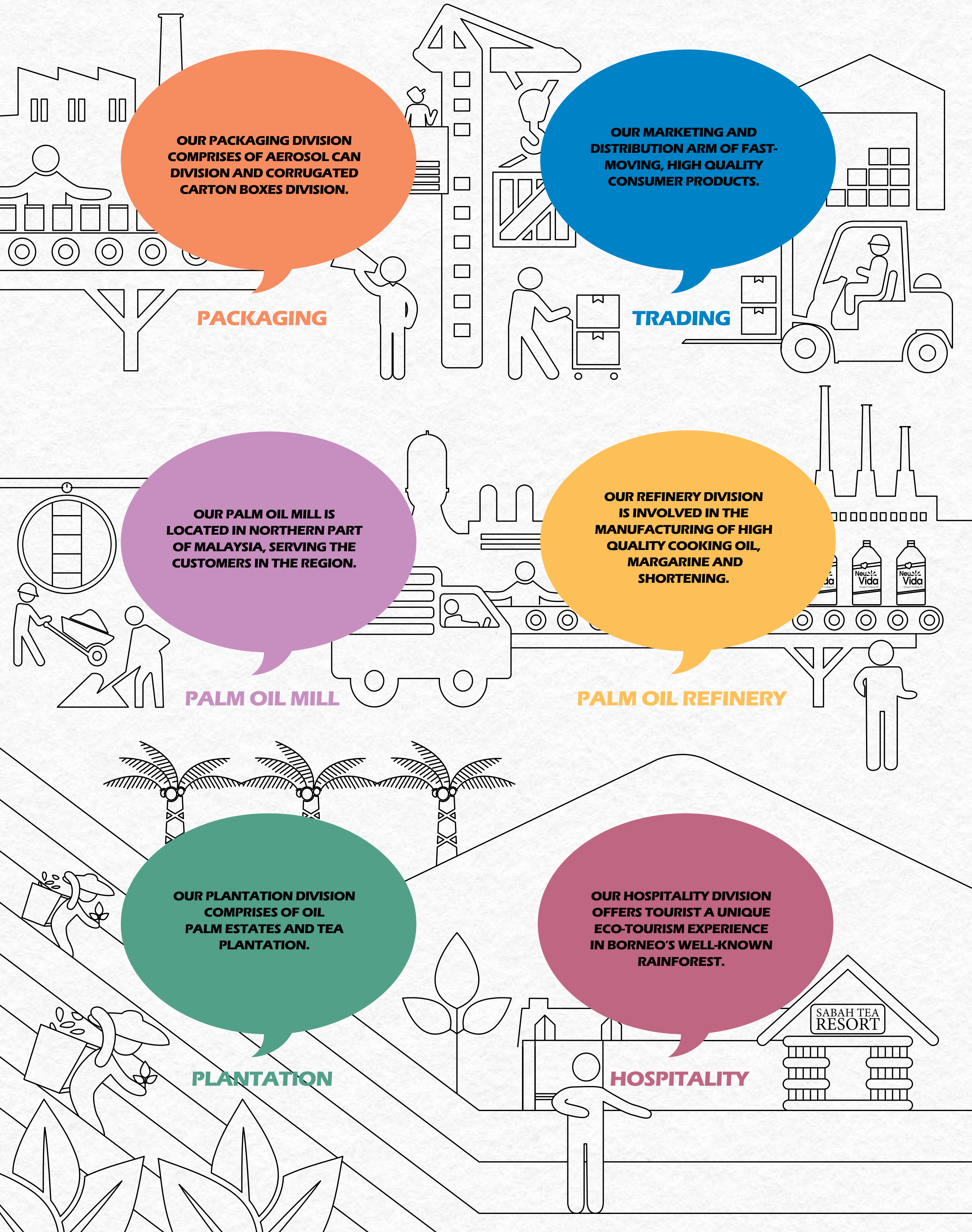
YEE LEE CORPORATION BHD (13585-A)
(INCORPORATED IN MALAYSIA)

SYNERGISING OPERATIONS

ANNUAL REPORT 2014

OUR BUSINESS ACTIVITY



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OUR ESSENTIAL VALUES FOR LIFE

1. STRONG BRAND IMAGES
2. HIGH PRODUCT QUALITY
3. HIGH AFFORDABILITY
4. UNDERSTAND OF CONSUMER NEEDS

SYNERGISING OPERATIONS

From humble beginnings as an edible oil repacker, we've now become a fully integrated manufacturer and distributor, providing an entire supply chain process. With an established marketing and distribution network, servicing both local and international customers, involvement in various sectors such as manufacturing, marketing and distribution of fast moving consumer products, plantation and eco-tourism. We stand well positioned to synergise our operations.

NOTICE OF FORTY-SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Second (42nd) Annual General Meeting ("**AGM**") of Yee Lee Corporation Bhd ("**YLC**" or "**Company**") will be held at at Ballroom 3, Lobby Level, Impiana Hotel Ipoh, No. 18, Jalan Sultan Nazrin Shah, 30250 Ipoh, Perak Darul Ridzuan on Thursday, June 25, 2015 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, 2014 and the Reports of the Directors and Auditors thereon. **Please refer to Explanatory Note A**

2. To declare a first and final dividend of 3.0 sen per share, under the single tier system in respect of the financial year ended December 31, 2014. **Resolution 1**

3. To approve the payment of Directors' fees in respect of the financial year ended December 31, 2014. **Resolution 2**

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' Mohd Adhan bin Kechik **Resolution 3**
   (ii) Lim Ee Young **Resolution 4**

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

   (i) Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff **Resolution 5**
   (ii) Dato' Lim A Heng @ Lim Kok Cheong **Resolution 6**
   (iii) Thang Lai Sung **Resolution 7**

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

SPECIAL BUSINESS

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

7. Ordinary Resolution 1 - Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Articles of Association of the Company and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares of the Company, from time to time, upon such terms and conditions, for such purposes and to such persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued does not exceed ten per cent (10%) of the total issued share capital of the Company for the time being, and that such authority shall continue to be in force until the conclusion of the next AGM of the Company." **Resolution 9**

NOTICE OF FORTY-SECOND ANNUAL GENERAL MEETING

8. Ordinary Resolution 2 - Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature ("**Proposed Shareholders' Mandate**")

   Resolution 10

   "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 29, 2015 subject to the followings:-

   (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; or

   (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 Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

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

   whichever is the earliest.

   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."

NOTICE OF FORTY-SECOND ANNUAL GENERAL MEETING

9. Ordinary Resolution 3 - Continuing in Office as Independent Non-Executive Directors

   (i) "THAT subject to the passing of Resolution 3, authority be and is hereby given to Dato' Mohd Adhan bin Kechik who has served as the Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company." **Resolution 11**

   (ii) "THAT subject to the passing of Resolution 5, authority be and is hereby given to Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff who has served as the Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company." **Resolution 12**

   (iii) "THAT authority be and is hereby given to Lee Kee Hong who has served as the Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company." **Resolution 13**

10. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965 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 3.0 sen per share, under the single tier system in respect of the financial year ended December 31, 2014, subject to the approval of the shareholders at the 42nd AGM will be paid on August 4, 2015 to Depositors whose names appear in the Record of Depositors at the close of business on July 21, 2015.

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 21, 2015 in respect of transfers; and

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

By Order of the Board

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

Ipoh, Perak Darul Ridzuan
May 29, 2015

NOTICE OF FORTY-SECOND ANNUAL GENERAL MEETING

Notes:-

1. Appointment of Proxy

(i) A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

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

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

(iv) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it hold.

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

(vi) Only a depositor whose name appears on the Record of Depositors as at June 18, 2015 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his behalf.

2. Explanatory Notes

(A) This agenda item is intended for discussion only as under Section 169(1) of the Companies Act, 1965, the Audited Financial Statements do not require formal approval of shareholders. As such, this agenda item will not be put forward for voting.

FOR SPECIAL BUSINESS

(B) (i) Resolution 9

The proposed Resolution 9, if passed, will give a renewed mandate to the Directors of the Company, from the date of the forthcoming AGM, the authority to allot and issue ordinary shares of the Company up to an amount not exceeding ten per cent (10%) of the Company's total issued share capital for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, the Company has not issued any new shares pursuant to Section 132D of the Companies Act, 1965 under the general authority which was approved at the last AGM held on June 25, 2014 and which will lapse at the conclusion of the forthcoming 42nd AGM.

(ii) Resolution 10
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) Resolutions 11, 12 and 13
The proposed Resolutions 11, 12 and 13 are pursuant to Recommendation 3.3 of the Malaysian Code of Corporate Governance 2012 and if passed, will enable Dato' Mohd Adhan bin Kechik, Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff and Mr. Lee Kee Hong to continue to act as Independent Non-Executive Directors of the Company. The full details of the Board's justifications and recommendations for the retention of the above three (3) Directors as Independent Non-Executive Directors are set out in the Statement of Corporate Governance in the Annual Report 2014.

Please refer to the Circular to Shareholders dated May 29, 2015 for further information on Resolution 10.

STATEMENT ACCOMPANYING NOTICE OF FORTY-SECOND ANNUAL GENERAL MEETING

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

Details of individuals who are standing for election as Directors

No individual is seeking new election as a Director at the forthcoming 42nd AGM of the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

Group Chief Executive Officer
Lim Ee Young
Executive Director

Thang Lai Sung
Executive Director

Chok Hooa @ Chok Yin Fatt, PMP
Executive Director

Sow Yeng Chong
Non-Independent Non-Executive Director

Dato' Mohd Adhan bin Kechik, DJMK, SMK
Independent Non-Executive Director

Lee Kee Hong
Independent Non-Executive Director

AUDIT COMMITTEE

Chairman
Dato' Mohd Adhan bin Kechik

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

NOMINATION COMMITTEE

Chairman
Lee Kee Hong

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

REMUNERATION COMMITTEE

Chairman
Chok Hooa @ Chok Yin Fatt

Members
Dato' Mohd Adhan bin Kechik
Lee Kee Hong

COMPANY SECRETARIES

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

STOCK EXCHANGE LISTING

Listed on Main Market of Bursa Malaysia Securities Berhad

Stock Code
5584

Stock Name
YEELEE

REGISTERED OFFICE

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

Telephone number
05-2911055, 05-2912055

Facsimile number
05-2919962, 05-2910862

E-mail
info@yeelee.com.my

Website
www.yeelee.com.my

SHARE REGISTRARS

Sectrars Management Sdn Bhd (1127890-P)
Lot 9-7, Menara Sentral Vista,
No. 150, Jalan Sultan Abdul Samad,
Brickfields,
50470 Kuala Lumpur.

Telephone number
03-22766138/6139/6130

Facsimile number
03-22766131

AUDITORS

Messrs. Deloitte (AF 0080)
Chartered Accountants
Level 2, Weil Hotel,
292 Jalan Sultan Idris Shah,
30000 Ipoh, Perak Darul Ridzuan.

Telephone number
05-2540288

Facsimile number
05-2547288

PRINCIPAL BANKERS

CIMB Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
RHB Bank Berhad

CORPORATE STRUCTURE

AS AT DECEMBER 31, 2014

YEE LEE CORPORATION BHD

- **100%** Yee Lee Edible Oils Sdn Bhd
- **100%** Yee Lee Trading Co Sdn Bhd
  - **100%** Mini Motors Sdn Bhd
- **100%** Yee Lee Marketing Sdn Bhd
- **100%** South East Asia Paper Products Sdn Bhd
- **100%** Yee Lee Palm Oil Industries Sdn Bhd
  - **100%** Palker Sdn Bhd
  - **100%** Sementra Plantations Sdn Bhd
- **100%** Canpac Sdn Bhd
  - **100%** Good Cans Sdn Bhd
  - **100%** Canpac Vietnam Pte, Ltd
- **100%** Intanwasa Sdn Bhd
  - **100%** Desa Tea Sdn Bhd
  - **100%** Sabah Tea Sdn Bhd
  - **100%** Sabah Tea Resort Sdn Bhd
- **32.76%** Spritzer Bhd

FINANCIAL HIGHLIGHTS

	2014	2013	2012	2011	2010
STATEMENT OF PROFIT OR LOSS (RM'000)					
Revenue	690,450	658,290	699,775	767,650	757,721
Profit before interest, taxes and depreciation	50,483	57,976	45,726	39,347	47,794
Profit before tax	34,408	42,738	29,390	21,456	31,833
Profit attributable to owners of the Company	27,014	33,545	22,027	19,301	24,433
STATEMENT OF FINANCIAL POSITION (RM'000)					
Total assets	588,297	561,187	541,760	556,724	552,252
Total liabilities	235,747	237,258	252,745	286,918	298,885
Share capital	90,323	89,182	87,793	87,786	87,786
Total equity	352,550	323,929	289,015	269,806	253,367
Borrowings	113,484	102,990	121,750	161,606	175,004
Deposits, cash and bank balances	49,946	36,012	36,026	27,653	29,266
Net cash generated from operating activities	38,421	36,947	64,038	35,370	18,672
Cash and cash equivalents	45,311	31,722	26,385	16,219	19,169
FINANCIAL INDICATORS					
Revenue growth (%)	4.89	(5.93)	(8.84)	1.31	7.78
Return on equity (%)	7.66	10.36	7.62	7.15	9.64
Net Debt to equity ratio (%)[#]	18.02	20.68	29.66	49.65	57.52
Basic earnings per share (sen)	15.04	18.96	12.55	10.99	13.92
Net dividend paid per share (sen)	3.00	2.00	1.88	1.88	4.75
Net assets per share (RM)	1.95	1.82	1.65	1.54	1.44
Interest cover (times)	6.56	8.23	4.65	3.60	5.01
Share price as at 31 Dec (RM)	1.40	1.26	0.85	0.84	0.92
Company market capitalisation (RM'000)	252,906	224,739	149,248	147,480	161,525

[#] Based on net debt (being total borrowings less deposits, cash and bank balances) expressed as a percentage of total equity.

CHAIRMAN'S STATEMENT

2014

GROUP ACHIEVED HIGHER REVENUE OF RM690.45 MILLION REPRESENTING A SALES GROWTH OF 4.9%

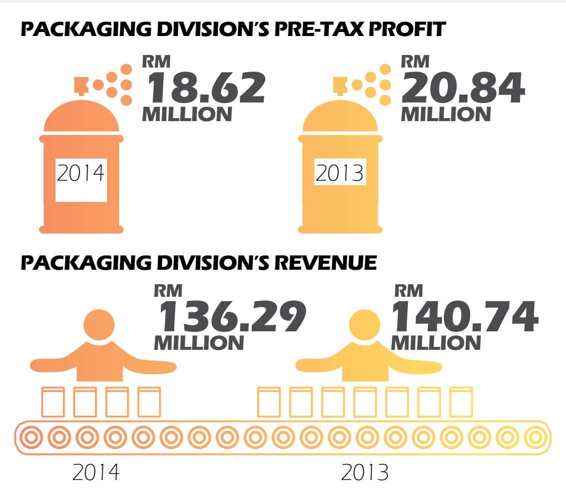
ON BEHALF OF THE BOARD OF DIRECTORS, I AM PLEASED TO PRESENT THE ANNUAL REPORT OF YEE LEE CORPORATION BHD. FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2014.

FINANCIAL PERFORMANCE

Despite the uncertain global economic climate in 2014, the Group managed to achieve higher revenue of RM690.45 million in this year, representing a sales growth of 4.9% over the previous year. However, the Group's pre-tax profit dropped by 19.5% to RM34.41 million as compared to RM42.74 million a year ago. Profit attributable to shareholders was RM27.01 million (2013: RM33.55 million) whilst the basic earnings per share ended at 15.04 sen (2013: 18.96 sen).

DIVIDENDS

The Board of Directors is pleased to recommend a first and final dividend of 3.0 sen (2013: 3.0 sen) per share, under the single tier system for the year ended December 31, 2014. The dividend, if approved, will be paid on August 4, 2015.



REVIEW OF OPERATIONS

MANUFACTURING

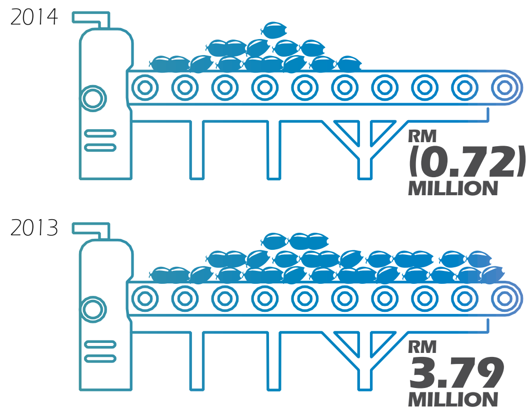
Packaging Division

Our Group packaging division comprises of aerosol can division and corrugated carton boxes division. The packaging division recorded a lower pre-tax profit in this year with a drop of 10.7% from RM20.84 million in 2013 to RM18.62 million on the back of 3.2% decrease in revenue. The aerosol can division remained the main core contributor to this segment. Despite drop in sales of aerosol can, the aerosol can operation in Rawang was still able to sustain its profitability through better production efficiency and waste control coupled with internal saving initiatives. However, the profit contribution from aerosol can operation in Vietnam was affected by the one time shifting cost incurred in relocating its machineries and workforce to their new factory. With this larger factory, the Vietnam operation will be able to expand its production capacity and warehouse facility to maximise its operational efficiencies.

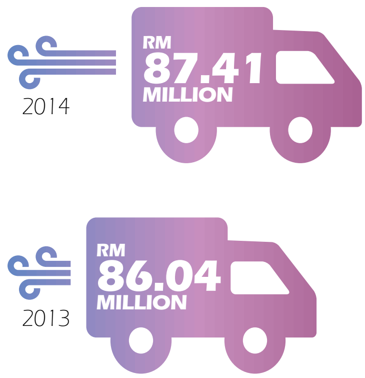
The corrugated carton division recorded higher revenue of RM24.23 million in this year as compared to RM23.44 million in 2013. The increase was mainly due to increase in selling price and higher orders from food based segment. However, the division's pre-tax profit declined by 75.0% as a result of the division unable to fully passed on the cost increase to its customers due to intense price competitions. In order to remain competitive, the division is in the process of upgrading its machineries to improve on its production efficiencies and further reduce its production wastages.

CHAIRMAN'S STATEMENT

PALM OIL REFINERY AND MILL DIVISION'S PRE-TAX PROFIT/(LOSS)



PALM OIL REFINERY AND MILL DIVISION'S REVENUE



PROFIT ATTRIBUTABLE TO SHAREHOLDERS
RM27.01 MILLION

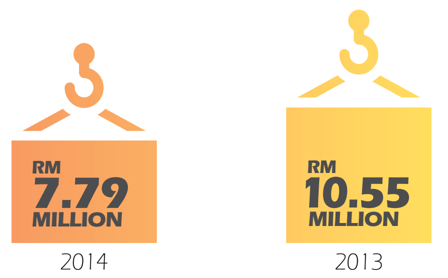
Palm Oil Refinery and Mill Division

Despite bearish crude palm oil ("CPO") sentiments towards the end of 2014, the average CPO price ended marginally higher at RM2,384 per MT against RM2,371 per MT in 2013. The average price of palm kernel increased substantially by 21.8% to RM1,670 per MT as compared to RM1,371 per MT a year ago mainly due to firmer world lauric oil prices. Our palm oil mill even recorded a much higher average selling price of palm kernel for this year at RM1,755 per MT surpassing the industry average price. This has resulted in the division achieving a positive sales growth of 1.6% after offsetting the drop in sales volume of bulk oils and palm kernel. However, the division suffered losses of RM0.72 million in this year as compared to a pre-tax profit of RM3.79 million in 2013 as the profit contributed by palm oil refinery was unable to absorb the losses incurred by palm oil mill. The palm oil refinery's profit margin was also affected by lower margin of FOB olein over CPO price. Even the mill managed to improve its oil extraction rate ("OER") surpassing the Perak state average OER, their performance was affected by lower fresh fruit bunches ("FFB") processed. The short supply of FFB was mainly due to lower FFB yield in Peninsular Malaysia impacted by palm tree stress after a good recovery the year before, unfavourable hot and dry weather conditions and severe floods in certain states of Peninsular Malaysia. The mill has taken steps to secure for more FFB suppliers to ensure consistent supply in order to turnaround in 2015.

Red Eagle Cooking Oils voted recipient of Readers Digest Trusted Brand Gold Award 2014.

CHAIRMAN'S STATEMENT

TRADING DIVISION'S PRE-TAX PROFIT



TRADING DIVISION'S REVENUE

TRADING

Trading Division

Malaysian economy registered a 6.0% growth in 2014 driven by robust domestic demand. Despite the economic expansion, the trading division faced with challenging consumer spending environment brought on by the unfavourable macroeconomic environment, escalating cost of living and concerns over the impending Goods and Services Tax ("GST") implementation in 2015. However, with the diverse range of products and brands coupled with exciting consumer marketing campaigns, the trading division managed to increase its revenue by 8.0% from RM429.54 million in 2013 to RM464.07 million this year. Its beverage segment especially the bottled water and other agencies products such as Campbell and Old Town products continued to achieve strong sales growth in this year. The sales of Kizz products were also very encouraging after the launching of new detergent pack. During the year, the division continued to invest in advertisement and promotion ("A&P") for brand building in order to strengthen its market position for long term sustainability growth. The high investment in A&P coupled with the increase in distribution cost have resulted in the division achieving a lower pre-tax profit of RM7.79 million in this year as compared to RM10.55 million in 2013. The bottled water brand, Spritzer has continued to receive overwhelming support and recognition from consumers by once again being voted as the Platinum Winner of the Reader's Digest Trusted Brands Award 2014. Besides Spritzer, Cactus brand also won the Gold award of the Readers' Digest Trusted Brand Award 2014. In addition, Spritzer has also been awarded the prestigious Asia Pacific Bottled Water Company of the Year 2014 by Frost & Sullivan for the fifth consecutive year. Not only the bottled water brands won several prestigious awards, the cooking oil brand, Helang also once again won the Reader's Digest Trusted Brand Gold Award in this year. With the consumers' confidence towards our products, the trading division is poised to continue its growth momentum.

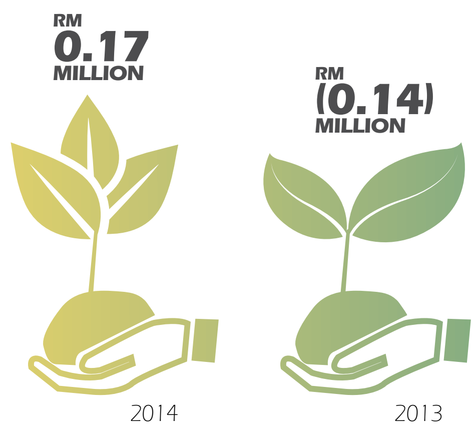
PLANTATION

Plantation Division

The plantation division comprises of two oil palm estates in Tapah and Gopeng and a tea plantation in Kampung Nalapak, Sabah. The division was able to achieve a pre-tax profit of RM0.17 million in this year as compared to a loss of RM0.14 million in 2013.

The oil palm plantation recorded a marginal drop in pre-tax profit from RM0.61 million in 2013 to RM0.59 million this year. This was mainly due to lower selling price of FFB arising from decrease in CPO price and lower

PLANTATION DIVISION'S PRE-TAX PROFIT/(LOSS)



CHAIRMAN'S STATEMENT

production of FFB. The adverse and erratic weather conditions coupled with the commencement of the replanting project have affected the production of FFB. The replanting project with the aim to improve the FFB yield and quality of FFB produced will be carried out in stages. The oil palm plantation will continue to focus on estate operation management aspects such as proper maintenance and treatment of palm trees including fertilizer application and efficient harvesting to further enhance on its yield and the quality of FFB produced. The project to develop 2,500 acres of an existing land in Sabah into oil palm plantation has commenced and is now at the initial stage of clearing the land for planting.

The sales of Flavoured Sabah Tea packed in attractive packaging design targeted for the niche market especially tourism market segment was very encouraging and enabled the tea plantation to achieve a strong sales growth of 48.4% in this year. The sales were on the uptrend until the airline related tragedies and the security issue in East Coast region in Sabah affecting the tourist arrival in Sabah. With the current sales volume, the tea plantation has yet to turnaround in this year. However, its pre-tax loss has further reduced from RM0.75 million in 2013 to RM0.42 million. More new varieties of tea products will be launched to boost sales in order for the tea plantation to turnaround in 2015.

TEA PLANTATION ACHIEVED STRONG SALES GROWTH OF
48.4%
IN THIS YEAR

FUTURE PROSPECTS

The global economy has remained volatile with United States ("US") economy showing signs of improvement while worries on Eurozone which are plagued by high debts and the impact of anticipated monetary tightening by US Federal Reserve on Asian economies. The Board expects the global economic conditions in 2015 to remain challenging with local consumer consumption remain subdued with cautious spending in view of the rising cost of living and the changing consumers' buying behaviour arising from the implementation of GST in April 2015. The Group will continue to pursue initiatives to improve its operational efficiency and productivity while exploring for business opportunity and expansion to drive growth.

As at the date of this report, the trading division has successfully secured the exclusive distributorship of Red Bull Gold, Red Bull Less Sugar and Red Bull Bottle energy drinks in Malaysia. This distributorship is expected to contribute positively to the Group's future profitability.

The contribution from the associated company, Spritzer Bhd has increased substantially by 21.5% this year. Judging by its current performance, the Board expects Spritzer Bhd will continue to contribute positively to the Group's bottom line.

ACKNOWLEDGEMENT

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

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

CORPORATE SOCIAL RESPONSIBILITY

JANUARY 2014

Donations in Kind to the Needy Families and Elderly People

300 needy families in and around Ipoh truly felt the joy of Chinese New Year as members from the Rangjung Yeshe Dharma Society Perak (RYDSP) and Yee Lee Staff joined together to celebrate the festivities.

13 MARCH 2014

World Kidney Day Dance Marathon

Over 500 revellers shook, jumped and danced their merry ways to garner awareness on our amazing kidneys. Guest of honour, YB P. Kamalanathan, Deputy Minister of Education II, highlighted the risks factors inherent in Chronic Kidney Disease. The event held at 1 Utama Shopping Centre was a fabulous success.

15 MARCH 2014

NASAM Stroke Awareness Roadshow

Free health screens for all! Yee Lee in collaboration with the National Stroke Association of Malaysia (NASAM) provided free health screenings and one-to-one counselling on the risk for stroke. This successful roadshow also included educational talks by doctors and nutritionists. Goodies were supported by Yee Lee during the event.

29 MARCH 2014

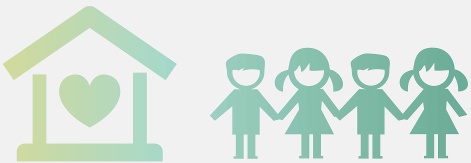
Charity Car Wash Way On, Wax Off!

The annual charity car wash organised by the Yee Lee Recreation and Sports Club once again raised a commendable funds for charitable purposes.

12 APRIL 2014

Charity Visit

Our annual charity visits witnessed the folks from Yee Lee paying a visit to Persatuan Kebajikan Kanak-Kanak Kurang Upaya and Pertubuhan Kebajikan Kanak-Kanak Cacat Ipoh.



CORPORATE SOCIAL RESPONSIBILITY

26 JULY 2014

Recycle Day

Yee Lee Recreation and Sports Club took the lead once again in raising awarenss on the efficacies of recycling.

24 AUGUST 2014

Poi Lam High School Food Fair

It was food galore during the Poi Lam High School Food Fair and 59th School Anniversary. As an avid supporter of the event for the past 10 years, Yee Lee helped to raise funds for the schools facility upgrades and continuing education.

30 AUGUST 2014

Blood Test and Blood Donation

Around 50 employees at Yee Lee gave more than their time and efforts. They donated their blood to give support to the blood bank and in turn received blood tests to ensure an awareness of health.

20-21 SEPTEMBER 2014

Relay for Life

4,300 participants ran a relay for life to celebrate the lives of cancer survivors and to remember those who have lost their battles with the dreaded disease. Yee Lee was a proud sponsor of this event contributing Sabah Tea products.

DECEMBER 2014 – JANUARY 2015

Flood Relief Mission

In times of disaster, an entire community comes together. This was evidenced as our Yee Lee community grouped together to distribute essential food and goods to flood victims in the affected East Coast states (Kelantan, Terengganu and Pahang).

DIRECTORS' PROFILE

DATO' (DR.) HAJI MOHAMED ISHAK BIN HAJI MOHAMED ARIFF, DSIS, DSPN, JSM, DJN, SMS, KMN, PPT, PJK

INDEPENDENT NON-EXECUTIVE CHAIRMAN

Dato' (Dr.) Haji Mohamed Ishak bin Mohamed Ariff, aged 79, a Malaysian and was appointed to the Board on March 2, 1993. He is a qualified Professional Chartered Town Planner and a Professional Landscape Architect from University of Newcastle-upon-Tyne, England. He was honoured by the University of Newcastle-upon-Tyne, England with the Honorary Degree of Doctor in Civil Law in May 1993. He is a Fellow of the Royal Town Planning Institute London, Fellow of Malaysian Institute of Planners and Fellow of Institute of Landscape Architects Malaysia.

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

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

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

DATO' LIM A HENG @ LIM KOK CHEONG, JSM, DPMP, JP

DEPUTY CHAIRMAN
GROUP MANAGING DIRECTOR

Dato' Lim A Heng @ Lim Kok Cheong, aged 70, 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 The Associated Chinese Chambers of Commerce and Industry of Malaysia, Perak Chinese Chamber of Commerce and Industry and Chairman of Poi Lam High School (Suwa). He is also the Honorary President of Perak Hock Kean Association and the Federation of Hokkien Associations of Malaysia.

He is the Chairman of Spritzer Bhd, a public company listed on Bursa Malaysia Securities Berhad, as well as the Chairman of Yee Lee Organization Bhd, a non-listed public company in Malaysia.

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.

DIRECTORS' PROFILE

LIM EE YOUNG

EXECUTIVE DIRECTOR
GROUP CHIEF EXECUTIVE OFFICER

Lim Ee Young, aged 43, 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.

THANG LAI SUNG

EXECUTIVE DIRECTOR

Thang Lai Sung, aged 77, a Malaysian and was appointed to the Board on January 10, 1973. He is one of the founders of Yee Lee Group of Companies.

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

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

DIRECTORS' PROFILE

CHOK HOOA @ CHOK YIN FATT, PMP

EXECUTIVE DIRECTOR

Chok Yin Fatt, aged 68, a Malaysian and was appointed to the Board on April 30, 1990. He graduated with a Bachelor Degree in Business Studies from Curtin University of Technology, Australia and Master in Business Administration from University of Strathclyde, United Kingdom. He is a Chartered Accountant of the Malaysian Institute of Accountants, fellow members of CPA Australia and Malaysian Institute of Chartered Secretaries and Administrators and a member of the Malaysian Institute of Certified Public Accountants.

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

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

DATO' MOHD ADHAN BIN KECHIK, DJMK, SMK

INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Mohd Adhan bin Kechik, aged 60, 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.

DIRECTORS' PROFILE

LEE KEE HONG

INDEPENDENT NON-EXECUTIVE DIRECTOR

Lee Kee Hong, aged 67, a Malaysian and was appointed to the Board on March 2, 1993. He was involved in the senior management of several public listed companies between 1970 and 1990. Currently, he runs his own private business.

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

SOW YENG CHONG

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Sow Yeng Chong, aged 58, a Malaysian and was appointed to the Board on December 3, 2007. He has a wide working experience in the field of accounting and corporate finance. He started his career in 1981 as an Audit Assistant with Payne Davies & Co and subsequently worked as an Accountant of Far East Marble & Handicraft Sdn Bhd. He was employed by Yee Lee Corporation Bhd Group from 1985 to 1997 in various capacities and his last position being Group Financial Controller. He was a remisier with TA Securities Holdings Bhd from 1997 to 2009. He is currently employed by Spritzer Bhd Group as Group Financial Controller and Joint Company Secretary.

He is a director of Kumpulan Belton Berhad and a member of the Malaysian Institute of Accountants. He is also a member of the Audit Committee of the Company.

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

AUDIT COMMITTEE REPORT

COMPOSITION

The Board is pleased to present the Report of the Audit Committee for the financial year ended December 31, 2014 in accordance with Paragraph 15.15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirement**") ("**Bursa Securities**").

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

Chairman
Dato' Mohd Adhan bin Kechik
Independent Non-Executive Director

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

Sow Yeng Chong
Non-Independent Non-Executive Director

Lee Kee Hong
Independent Non-Executive Director

TERMS OF REFERENCE

Membership

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

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

(ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three years' working experience; and
  (a) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
  (b) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or

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

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

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

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

AUDIT COMMITTEE REPORT

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.

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

Duties and Responsibilities

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

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

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

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

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

(v) Executives' Share Option Scheme
- review and verify the allocation of options pursuant to the Company's Executives' Share Option Scheme comply with the criteria of allocation.

(vi) 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.

AUDIT COMMITTEE REPORT

Authority

The Audit Committee shall have the authority to:-

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

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

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

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

Meetings

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

The Audit Committee held four meetings during the financial year ended December 31, 2014. The attendance of the Audit Committee members is as follows:-

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

SUMMARY OF ACTIVITIES

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

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

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

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

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

AUDIT COMMITTEE REPORT

(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.

(vi) reviewed and verified that the allocation of options pursuant to the Company's Executives' Share Option Scheme is in compliance with the criteria for allocation of options as disclosed to the employees of the Company.

SUMMARY OF ACTIVITIES OF THE GROUP INTERNAL AUDIT DEPARTMENT

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

- providing reasonable assurance in relation to the adequacy, efficiency and effectiveness of the internal control system;
- independent assessment and systematic review of the operational efficiency of the Group member;
- identifying and evaluating potential risk areas;
- assessing the reliability of systems and the reported information; and
- ensuring compliance with the established policies, procedures, guidelines, rules and legislations.

During the year, the GIAD had performed its roles with impartiality, proficiency and due professional care. The scope of audit encompassed assets management, cash collections and disbursements, credit policy, inventory, purchasing and sales, operations, safety & security, risk management and corporate governance processes. The management is responsible for ensuring that corrective actions are taken to overcome the reported weaknesses within an appropriate time frame. Audit report incorporating the audit findings and recommendations to overcome systems and control weaknesses are presented to the management concerned, and thereafter to the Audit Committee for review on a quarterly basis.

The internal audit function is performed in-house with selected areas being outsourced, but within supervision of the in-house Head of GIAD. The total cost incurred for both in-house and outsourced internal audit function had amounted to RM226,000.00 and RM24,000.00 (2013: RM224,000.00 and RM22,000.00) respectively for the financial year ended December 31, 2014.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("**Board**") of Yee Lee Corporation Bhd ("**Company**") acknowledges the importance of practising good corporate governance and strives to adopt the principles and recommendations of corporate governance throughout the Group in the manner prescribed by the Malaysian Code on Corporate Governance 2012 ("**MCCG 2012**") and Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("**Listing Requirements**").

Set out below is a statement of how the Group has applied principles of good governance and the extent of the Group's compliance with the recommendations of the MCCG 2012:-

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear Functions of the Board and Management

The Group continues to be led and managed by a Board with wide and varied technical, financial and commercial experience which facilitates effective, thorough and considered as discharge of the Board's statutory and fiduciary duties and responsibilities.

There is a division of functions between the Board and the Management. The Board is ultimately responsible for the stewardship of the Company and its Group. However, the Board does not actively manage but rather oversees the overall management of the Group which is delegated to the Group Managing Director, Group Chief Executive Officer, Executive Directors and other officers of the Group.

To ensure the effective discharge of its function and responsibilities, the Board delegates some of the Board's authorities and discretion to the Executive Directors, representing the Management, as well as to properly constituted Board Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee and Executives' Share Option Scheme Committee. The Board Committees have its own terms of reference and have the authority to act on behalf of the Board within the authority as laid out in the terms of reference and to report to the Board. The ultimate responsibility for the final decision on all matters deliberated in these Committees, however, lies with the Board.

The Board may also delegate specific functions to ad hoc committees as and when required. The powers delegated to these committees are set out in the Terms of Reference of each of the Committees as approved by the Board.

The Board is focused on the Group's overall governance by ensuring the implementation of the strategic plans and that accountability to the Group and stakeholders is monitored effectively; whereas the Management is responsible for the implementation of management goals in accordance with the direction of and delegation by the Board.

In addition, the Board is guided by the documented and approved Board Charter which sets out the roles, functions, authority, responsibilities, membership and operation of the Board. Key matters reserved for the Board's approval includes:-

- Appointment of the Chairman;
- Appointment and removal of the Managing Director;
- Appointment of directors to fill a vacancy or as additional directors;
- Establishment of Board Committees, their membership, duties and delegated authorities;
- Approval of interim dividend and recommendation of final dividend for shareholders' approval;
- Approval of capital expenditure, acquisitions and divestitures in excess of authority levels delegated to Management;
- Calling of meetings of shareholders; and
- Any other specific matters nominated by the Board from time to time.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

1.2 Clear Roles and Responsibilities

The Board provides stewardship to the Group's strategic direction and operations, and ultimately the enhancement of long-term shareholders' value. The Board is primarily responsible for:-

- input into and final approval of management development of corporate strategy, including setting performance objectives;
- monitoring corporate performance;
- approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting with the guidance of the Audit Committee;
- reviewing, ratifying and monitoring systems of risk management and internal control under the guidance of the Audit Committee;
- selecting, appointing and evaluating from time to time the performance of, and planning succession of the Managing Director under the guidance of the Nominating Committee;
- reviewing and approving remuneration of the Managing Director, Executive Directors and the Non-Executive Directors under the guidance of the Remuneration Committee;
- monitoring Board composition, processes and performance with the guidance of the Nominating Committee; and
- performing such other functions as are prescribed by law or are assigned to the Board.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board Committee, a Director, employee or other person subject to ultimate responsibility of the Directors.

1.3 Formalised Ethical Standards through Code of Ethics and Conduct

The Board has formalised a Directors' Code of Ethics and Conduct that is incorporated in the Board Charter, which sets out the standard of conduct expected of Directors, with the aim to cultivate good ethical conduct that permeates throughout the Group through transparency, integrity, accountability and corporate social responsibility.

Directors are required to disclose any conflict of interest situations or any material personal interest that they may have in the affairs of the Group as soon as they become aware of the interest and abstain themselves from any deliberations on the matter.

1.4 Strategies Promoting Sustainability

The Group is committed to sustainability development. Employees' welfare, responsibility to the market place, environment as well as community responsibilities are integral to the way in which the Group conducts its business. Report on such activities is set out in its Corporate Social Responsibility on pages 14 and 15 of this Annual Report.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

1.5 Access to Information and Advice

The Directors have the right to access all information pertaining to the Group for the purpose of discharging their duties. The Board is provided with an agenda, reports and other relevant information prior to Board Meetings, covering various aspects of the Group's operations, so that they have a comprehensive understanding of the matters to be deliberated upon to enable them to arrive at an informed decision. All scheduled meetings held during the year were preceded with a formal agenda issued by the Company Secretary. Senior management and advisers are invited to attend Board meetings, where necessary, to provide additional information and insights on the relevant agenda items tabled at Board meetings. Every Director has unhindered access to the advice and services of the Company Secretary to assist them in carrying out their duties.

In addition, the Directors, collectively and individually, may seek independent professional advice and information in the furtherance of their duties at the cost of the Company.

1.6 Qualified and Competent Company Secretary

The Company Secretary plays an important advisory role and is a source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and Group.

The Board is regularly updated and apprised by the Company Secretary on new regulation issued by the regulatory authorities. The Company Secretary also serves notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company's shares. The Company Secretary attends and ensures that all Board meetings are properly convened and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory register of the Company. The Company Secretary works closely with Management to ensure that there are timely and appropriate information flows within and to the Board and Board Committees.

1.7 Board Charter

The Company's Board Charter sets out the role, functions, authority, responsibilities, membership and operation of the Board of Directors of the Company and is to ensure that all Board members acting on behalf of the Company are aware on their duties and responsibilities as Board members.

The Board will review the Board Charter annually and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities to ensure its effectiveness.

Salient terms of the Charter will be made available at the Company's website at http://www.yeelee.com.my.

2. STRENGTHEN COMPOSITION

2.1 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.

2.2 Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors

(a) Recruitment or New Appointment of Directors

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.

The final decision as to who shall be appointed as Director remains the responsibility of the full Board after considering the recommendation of the Nomination Committee.

(b) Gender Diversity Policy

The Board has no immediate plan to implement a gender diversity policy. In its selection for Board appointment, the Board believes in, and provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender. The Board will, nevertheless, give consideration to the gender diversity objectives.

(c) Re-election and Re-appointment of Directors

In accordance with the Company's Articles of Association ("Articles"), 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 Act. Presently, there are three Directors of the Company, namely Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff, Dato' Lim A Heng @ Lim Kok Cheong and Mr. Thang Lai Sung who are subject to such retirement and re-appointment.

2. STRENGTHEN COMPOSITION (CONT'D)

2.2 Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors (Cont'd)

(d) Annual Assessment

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, 2014 and full attendance by the members was recorded.

Nomination Committee conducted its annual appraisal on the effectiveness of the Board, its Committees and the contribution of each director. The Nomination Committee, upon the review carried out, is satisfied that the size of the Board is optimum and that there is an appropriate mix of experience and expertise in the composition of the Board and its Committees.

2.3 Directors' Remuneration

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.

The Remuneration Committee is entrusted to assist the Board, amongst others, to recommend to the Board the remuneration of Executive Directors by linking rewards to the corporate and individual performance. The Remuneration Committee shall ensure that the level of remuneration is sufficient to attract and retain Directors of the quality required to manage the business of the Group.

The current remuneration policy for the Non-Executive Directors comprises of Directors' fees which required shareholders' approval and meeting allowance, based on the number of meetings they are attending for a year.

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, 2014.

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	Equity-Settled Share Based Payments RM'000	Others RM'000	Total RM'000
Executive Directors	2,169	141	564	49	78	3,001
Non-Executive Directors	-	70	-	12	29	111

2. STRENGTHEN COMPOSITION (CONT'D)

2.3 Directors' Remuneration (Cont'd)

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

	Number of Directors	
Range of remuneration	**Executive Directors**	**Non-Executive Directors**
RM1 to RM50,000	-	4
RM300,001 to RM350,000	1	-
RM600,001 to RM650,000	1	-
RM900,001 to RM950,000	1	-
RM1,150,001 to RM1,200,000	1	-

Directors' fees are subject to the approval by shareholders at the forthcoming 42nd Annual General Meeting ("AGM") of the Company.

3. REINFORCE INDEPENDENCE

3.1 Annual Assessment of Independence

The Board, through the Nomination Committee, assesses the independence of Independent Directors annually, taking into account the individual Director's ability to exercise independent judgment at all times and to contribute to the effective functioning of the Board.

The Independent Non-Executive Directors are not employees and they do not participate in the day-to-day management as well as the daily business of the Company. They bring an external perspective, constructively challenge and help develop proposals on strategy, scrutinise the performance of Management in meeting approved goals and objectives, and monitor risk profile of the Company's business and the reporting of monthly business performances.

The Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their ability to act in the best interests of the Company.

3.2 Tenure of Independent Directors

One of the recommendation of the MCCG 2012 states that the tenure of an independent director should not exceed a cumulative term of nine years. However, the Nomination Committee and the Board have determined at the annual assessment carried out that Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff, Dato' Mohd Adhan bin Kechik and Mr. Lee Kee Hong, who have served on the Board for a cumulative term of more than nine years, remains objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees. The length of their services on the Board does not in any way interfere with their exercise of independent judgment and ability to act in the best interests of the Company.

STATEMENT ON CORPORATE GOVERNANCE

3. REINFORCE INDEPENDENCE (CONT'D)

3.3 Shareholders' Approval for the continuance in Office as Independent Non-Executive Directors ("INED")

In addition to the criteria for independence prescribed in Bursa Malaysia Securities Berhad's Listing Requirements, INED were assessed on their ability and commitment to continue to bring independent and objective judgment to board deliberations.

The Board strongly believes that a director's independence cannot be determined arbitrarily with reference only to the tenure of service. They are of the view that there are significant advantages to be gained from the INED who have served on the Board for more than nine years as they possess valuable experience and expertise, greater insight and knowledge of the business, operations and growth strategies of the Group. Furthermore, the ability of a director to serve effectively as an independent director is much a function of his caliber, qualification, experience and personal qualities, particularly of his integrity and objectivity in discharging his responsibilities in good faith in the best interest of the Company and his duty to vigilantly safeguard the interests of the shareholders of the Company.

The Board on the review and recommendation made by the Nomination Committee, is unanimous in its opinion that the three Independent Directors, namely Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff, Dato' Mohd Adhan bin Kechik and Mr. Lee Kee Hong who each has served as an INED of the Company for a cumulative term of more than nine years, have remain objective and independent in participating in the deliberations and decision making of the Board and Board Committees.

Thus, the Board would recommend to the shareholders for approval at the forthcoming 42nd AGM for Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff, Dato' Mohd Adhan bin Kechik and Mr. Lee Kee Hong to continue acting as Independent Directors of the Company.

3.4 Separation of positions of the Chairman and Group Managing Director

The roles and responsibilities of the Chairman and Group Managing Director are separated to ensure balance of 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.

3.5 Composition

The Board currently has eight members, comprising four Executive Directors and four Non-Executive Directors of whom three are independent. The role of Chairman is held by an INED. This Board composition complies with the Listing Requirements to have at least one third of the Board consisting of Independent Directors.

The Board meetings are presided by the Chairman. 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 INED are independent of management and free from any business relationship which could materially interfere with their independent judgment. Their presence ensure that issues of strategies, performance and resources proposed by the management are objectively evaluated with their judgment.

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

The profile of each Director is presented on pages 16 to 19 of the Annual Report.

4. FOSTER COMMITMENT

4.1 Time Commitment

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.

During the financial year ended December 31, 2014, four Board Meetings were held and the attendance is as follows:-

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

4.2 Directors' Training

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

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

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

- Risk Management and Internal Control : Workshop for Audit Committee Members
- Nominating Committee Programme
- Board Chairman Series : The Role of the Board Chairman
- Sharing Event : "The Leader's Journey – Opportunities and Challenges of Chinese Entrepreneurs"
- Introduction of German – Malaysia Courses and Machinery Demo
- ACCCIM 4th SME Conference
- Seminar by Tan Sri Dato' Soong Siew Hoong – Towards an effective Trade Orgainsation, an Efficient Secretariat, Effective Communication
- Goods and Services Tax (GST) Awareness Briefing
- GST Seminar
- HSBC Forum : China Globalising; RMB Rising
- The Basics of GST and Accounting
- GST Awareness & Implications
- Leadership Effectiveness Zone
- 2014 Economy Update
- Superior Decision Making & Execution

4. FOSTER COMMITMENT (CONT'D)

4.2 Directors' Training (Cont'd)

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

- How Frisha has Transformed its Business
- The New Wave of Scalable Entrepreneurship in S.E.A
- Retaining Talent to Stay Ahead of the Competition
- GST for Industries : Getting Started
- OSHA Workshop
- Technical Briefing for Company Secretaries of Listed Issuers – Transactions and Corporate Disclosures
- MAICSA Annual Conference 2014 : Challenges of the Changing Corporate and Regulatory Landscape
- Hazardous Chemical Management – Updated with OSH (CLASS) Regulations 2013
- Persidangan Jawatankuasa Kira-Kira Wang Awam (PAC) Negeri 2014
- Nominating & Remuneration Committees – What Every Director Should Know

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with Applicable Financial Reporting Standards

The Board is committed to provide a balanced, clear and meaningful assessment of the financial performance and prospects of the Company via all disclosures and announcements made. The Board is assisted by the Audit Committee to oversee and scrutinise the process and quality of the financial reporting includes reviewing and monitoring of the integrity of the financial statements and the appropriateness of the Company's accounting policies to ensure accuracy, adequacy and completeness of the report, as well as in compliance with the relevant accounting standards.

The Directors' Responsibility Statement for the Annual Audited Financial Statements of the Company and the Group is set out on page 34 of the Annual Report.

5.2 Assessment of Suitability and Independence of External Auditors

Through the Audit Committee, the Board maintains a transparent and professional relationship with the Group's External Auditor, Messrs Deloitte. Messrs Deloitte is invited to attend the Audit Committee meetings when deemed necessary.

Messrs Deloitte is also invited to attend the Company's Annual General Meeting/Extraordinary General Meeting(s) and are available to answer any questions from shareholders on the conduct of the statutory audit and the contents of the Annual Audited Financial Statements as well as any corporate exercise undertaken by the Group where they are involved.

Messrs Deloitte has in place policies on rotation for partners and senior professional personnel of an audit engagement to ensure objectivity, independence and integrity of the audit. They have declared their independence to the Group and their compliance with By-Laws (on Professional Ethics, Conduct and Practice) for Professional Accountants (By-Laws) as adopted by the Malaysian Institute of Accountants.

Further details on the Audit Committee in relation to the external auditors are set out in the Audit Committee Report on pages 20 to 23 of the Annual Report.

6. RECOGNISE AND MANAGE RISKS

6.1 Sound Framework to Manage Risks

The Board with the assistance of the Group Risk Management Department has established processes for identifying, assessing, evaluating and managing the significant risks faced by the core business of the Group. The outcome of the process is reviewed by the Board and is guided by the Statement on Risk Management and Internal Control as set out on pages 36 to 38 of the Annual Report.

6.2 Internal Control Function

The internal audit function is managed by the Group Internal Audit Department. The Audit Committee reviews and approves the internal audit plan, which is developed based on the major operating units and key risk areas of the Group. Audit reviews were carried out on quarterly basis and audit findings were reported to the Audit Committee. Further details of the activities of the internal audit function are set out in the Audit Committee Report on pages 20 to 23 of the Annual Report.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy

The Board acknowledges that timely, complete and accurate disclosure is important to an orderly and fair market for the trading of securities. In that respect, the Company is guided by the Corporate Disclosure Guide and Best Practice issued by Bursa Securities and the Board adheres strictly to the Bursa Securities' disclosure framework to provide investors and the public with accurate and complete information on a timely basis. The Board ensures that confidential information is handled properly by authorised personnel to avoid leakage and improper use of such information. The Board is also mindful that information which is expected to be material must be announced immediately.

7.2 Leverage on Information Technology for Effective Dissemination of Information

The Board endeavours to provide timely and accurate disclosure of all material information of the Group to the shareholders and investors. Information is disseminated through various disclosures and announcements made to the Bursa Securities which includes the quarterly financial results, audited financial statements and Annual Reports. This information is also electronically published at the Bursa Securities' and the Company's websites at http://www.bursamalaysia.com and http://www.yeelee.com.my respectively and it is accessible by public.

8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 Encourage Shareholder Participation at General Meetings

The Board regards the AGM and other general meetings as an opportunity to communicate directly with shareholders and encourages attendance and participation in dialogue. The Board takes cognisance in serving longer than the required minimum notice period for AGMs, when possible. The Chairman together with the Group Managing Director ensure that the Board is accessible to shareholders and an open channel of communication is cultivated. The Board has ensured that an explanatory statement will accompany each item of special business included in the notice of meeting on the effects of the proposed resolutions. Each shareholder can vote in person or by appointing a proxy/proxies to attend and vote on his behalf. Separate issues are tabled in separate resolutions at general meetings, voting is carried out systematically and resolutions are properly recorded.

STATEMENT ON CORPORATE GOVERNANCE

8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS (CONT'D)

8.2 Encourage Poll Voting

Recommendation 8.2 of the MCCG 2012 recommends that the Board should encourage poll voting for substantive resolutions at the general meetings. The Chairman would ensure that shareholders were informed of their rights to demand a poll vote at the commencement of the AGM.

The Board will evaluate the feasibility of carrying out electronic polling at its general meetings in future.

8.3 Effective communication and proactive engagement

At the 41st AGM held on June 25, 2014, Directors were present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company. The Directors, Management and external auditors were in attendance to respond to the shareholders' queries.

The Board welcomes questions and feedback from shareholders during and at the end of shareholders' meeting and ensures their queries are responded in a proper and systematic manner.

8.4 Whistleblowing Policy

In line with the Board's commitment to maintain the highest possible standard of professionalism, ethics and legal conduct in the Group's business activities, the Whistleblowing Policy was introduced and approved by the Board. This policy welcomes disclosures of suspected wrongdoings that include mismanagement, malpractices, corrupt practices, fraud and abuse of power or breach of any laws and regulations by any member of the Board, management or employee. It also provides the employees with an accessible avenue to report wrongdoings in matters of financial reporting, compliance and other malpractices at the earliest opportunity, in an appropriate matter and without fear of reprisal. The Group will establish the framework as well as the procedures which are practical yet effective to serve its intended purpose.

COMPLIANCE STATEMENT

The Board is satisfied that the Company has in year 2014 complied with the principles and recommendations of the MCCG 2012 except where it was specifically stated otherwise.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Act to prepare the financial statements for each financial year which give a true and fair view of the financial position of the Company and of the Group and the financial performance and cash flows for that year. The Directors consider that in preparing the financial statements for the financial year ended December 31, 2014, the Company and the Group have adopted applicable approved Financial Reporting Standards in Malaysia, which are consistently applied and supported by reasonable and prudent judgements and estimates.

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

This statement was approved by the Board of Directors on May 11, 2015.

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 details of options issued during the financial year are disclosed in the Directors' Report and Note 32 to the financial statements.

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

4. **Depository Receipt Programme**
   The Company did not sponsor any Depository Receipt 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**
   Non-audit fees of RM47,300 was paid/payable to the external auditors and its affiliated company for services rendered to the Company and its subsidiary during the financial year.

7. **Variation in Results**
   There was no variance between the financial results in the Annual Audited Financial Statements 2014 and the unaudited financial results for the year ended December 31, 2014, previously released.

8. **Profit Guarantee**
   There was no profit guarantee given by the Company during the financial year.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets. Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**"), the Board of Directors ("**Board**") of Yee Lee Corporation Bhd is pleased to present the following Statement on Risk Management and Internal Control. This Statement outlines the nature and scope of the risk management and internal control of the Group and covers all of its operations except for its associated company in which the Group does not have full management and control over it.

BOARD RESPONSIBILITIES

The Board affirms its overall responsibility for the Group's system of internal control which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. These systems are designed to manage and minimise rather than to completely eliminate the risk of failure in achieving the Group's business objectives. Such systems can only provide reasonable, but not absolute assurance against material loss or failure. This denotes that the internal control system has been applied to manage risks within cost levels appropriate to the significance of the risks. Accompanying these regular reviews and evaluations of internal control systems is a continuous process for identifying, evaluating and managing significant risks which are faced by the Group. This process is subjected to regular reviews by the Board as set out in the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" endorsed by Bursa Malaysia Securities Berhad.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Group recognises that effective Risk Management is an integral part of Corporate Governance and continuously strives for excellence to ensure effective and systematic protection of its employees, 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 Risk Management Framework provides for regular review and reporting. The reports include an assessment of the degree of risk, and an evaluation of the effectiveness of the risk mitigating and treatment measures. Such reports are compiled by the Head of Group Risk Management Department, and presented by him to the Group Risk Management Advisory Committee.

The Group Risk Management Advisory Committee will provide direction and counsel to the Group Risk Management Department as well as involves in the 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 matters.

The Risk Management Department plays a pivotal role in assisting the members of the Group to have a good understanding of the various risks affecting their companies, and enable them to manage a risk once it has been identified and defined. The Risk Management Department had continued to advise and brief the employees of subsidiary companies in promoting and creating awareness of the importance in adopting good risk management practices.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 advises the Board accordingly.

The risk management programme has served the Group with structured, consistent approaches and methodologies in responding to the uncertainties in its operating environment. This warrants the strategic and rapid response by the management to impede the impact on its key risks in order to achieve the Group's business objectives.

INTERNAL AUDIT FUNCTION

The Group Internal Audit Department (GIAD) is constantly upgrading its audit approach, maintaining a competent audit team and expanding its scope to encompass risk-based plans. The Internal Audit Team visits the 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.

The Internal Audit Team conducts risk-based audit and focus on effective risk management practices. Its mission is to provide objective and independent assurance of the Group's system of internal controls as well as reviewing the adequacy and effectiveness of risk management, governance and control processes which were being established to manage risks and operations. It also monitors compliance with policies, guidelines, laws and regulations. Any internal control weaknesses and the appropriate audit recommendations would be discussed and reported to the management for corrective/preventive actions. Significant findings and corrective measures in respect of any non-compliance are highlighted to the Audit Committee. The GIAD is committed to provide value-added services to the Group and performing the audit function in accordance with the International Professional Practices Framework on Internal Auditing.

CONTROL ACTIVITIES

The Group has put in place policies and procedures in key business processes and support functions which include financial reporting, human capital, procurement and information systems. Policies and procedures are also established relating to delegation of authority and segregation of duties.

Annual operating budgets are prepared by the Group's business and operating units, and are approved by the senior management. The review of budgeted against actual performance are performed on a quarterly basis where significant variances will be investigated and necessary remedial actions will be taken.

MONITORING

The Audit Committee and Board meetings are held at least on a quarterly basis where the Audit Committee and the Board are kept up-to-date on significant changes in the business and the external environment in which the Group operates and also to review the performance of the Group.

The Group's management team shall carry out periodic meetings with agendas on matters for discussion and communicates regularly to monitor operational and financial performance as well as to formulate action plans to address areas of concern.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF EFFECTIVENESS

The Board remains committed towards improving the system of internal control and risk management process to meet its corporate objectives and to support all types of businesses and operations within the Group. The Board has opined that the Group's present system of internal controls is sound and sufficient to safeguard the Group's interest and its business operations. It is also satisfied that the risks taken are at an acceptable level within the control of the business environment of the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Listing Requirements, the External Auditors, Messrs Deloitte, have reviewed this Statement in accordance with the scope set out in the Recommended Practice Guide 5 (Revised), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants, for inclusion in the Annual Report for the financial year ended December 31, 2014. Messrs Deloitte had reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material aspects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guidelines, nor it is factually inaccurate.

CONCLUSION

The Board has received assurance from both the Group Managing Director and Group Financial Controller that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects, during the financial year under review and up to the date of this Statement. Hence, the Board is of the view that the system of risk management and internal control in place is sound and sufficient to protect the Group's interest and that of its stakeholders. In addition, the Board continues to take appropriate measures to sustain, and, where required, to improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.

The Statement was approved by the Board of Directors on May 11, 2015.

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, 2014.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

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

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

RESULTS OF OPERATIONS

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

	The Group RM'000	The Company RM'000
Profit for the year attributable to owners of the Company	27,014	6,089

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 3.0 sen per share, under the single tier system, proposed in respect of ordinary shares in the previous financial year and dealt with in the previous directors' report was paid by the Company during the financial year.

The directors proposed a first and final dividend of 3.0 sen per share, under the single tier system, 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.

DIRECTORS' REPORT

ISSUE OF SHARES AND DEBENTURES

The Company increased its issued and paid-up ordinary share capital during the financial year by the issuance of 548,500 new ordinary shares of RM0.50 each at an exercise price of RM0.78 per ordinary share, and 1,734,500 new ordinary shares of RM0.50 each at an exercise price of RM1.26 per ordinary share pursuant to the exercise of Executives' Share Option Scheme of the Company.

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

The resultant premium arising from the shares issued of RM1,471,800 has been credited to the share premium account.

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

EXECUTIVES' SHARE OPTION SCHEME ("ESOS")

Under the Company's ESOS which has been approved at an Extraordinary General Meeting held on June 27, 2012, options to subscribe for new ordinary shares of RM0.50 each in the Company were granted to Eligible Executives who include directors and executive employees of the Group and of the Company during the financial year.

The salient features of the ESOS are disclosed in Note 32 to the financial statements.

OTHER STATUTORY INFORMATION

Before the statements of profit or loss and the statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

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

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D)

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

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

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

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

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

DIRECTORS

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

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

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

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

DIRECTORS' REPORT

DIRECTORS' INTERESTS

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

	Number of ordinary shares of RM0.50 each			
	Balance as of 1.1.2014	**Bought**	**Sold**	**Balance as of 31.12.2014**
Shares in the Company				
Registered in the name of directors				
Y. Bhg. Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff	2,978,614	50,000	-	3,028,614
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong	4,609,422	427,930	-	5,037,352
Mr. Thang Lai Sung	97,048	213,850	(177,500)	133,398
Mr. Chok Hooa @ Chok Yin Fatt	206,532	176,500	(80,000)	303,032
Mr. Lim Ee Young	708,356	63,000	-	771,356
Y.B. Dato' Mohd Adhan bin Kechik	91,664	45,000	-	136,664
Mr. Lee Kee Hong	70,312	45,000	-	115,312
Mr. Sow Yeng Chong	11,000	-	-	11,000
Deemed interest by virtue of shares held by a company in which a director has interest				
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong	97,513,863	212,000	(209,750)	97,516,113
Deemed interest by virtue of shares held by immediate family members of the directors				
Y. Bhg. Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff	455,000	-	(123,000)	332,000
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong	1,851,504	268,350	-	2,119,854
Mr. Lim Ee Young	14,000	-	-	14,000
Mr. Sow Yeng Chong	1,808	-	-	1,808

DIRECTORS' REPORT

	Number of options over ordinary shares of RM0.50 each			
	Balance as of 1.1.2014	Granted	Exercised	Balance as of 31.12.2014
Share options of the Company				
Registered in the name of directors				
Y. Bhg. Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff	50,000	50,000	(50,000)	50,000
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong	225,000	225,000	(225,000)	225,000
Mr. Thang Lai Sung	197,500	122,500	(177,500)	142,500
Mr. Chok Hooa @ Chok Yin Fatt	172,500	147,500	(147,500)	172,500
Mr. Lim Ee Young	272,500	225,000	-	497,500
Y.B. Dato' Mohd Adhan bin Kechik	45,000	45,000	(45,000)	45,000
Mr. Lee Kee Hong	45,000	45,000	(45,000)	45,000
Mr. Sow Yeng Chong	45,000	45,000	-	90,000

	Number of ordinary shares of RM1.00 each			
	Balance as of 1.1.2014	Bought	Sold	Balance as of 31.12.2014
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	31,614	9,930	-	41,544
Mr. Lee Kee Hong	19,800	-	-	19,800
Deemed interest by virtue of shares held by companies in which a director has interest				
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong	7,799,820	-	-	7,799,820
Deemed interest by virtue of shares held by immediate family members of a director				
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong	174,686	110,930	-	285,616

By virtue of his interest in the shares of the holding company, Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong, JSM, DPMP, JP 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' REPORT

DIRECTORS' BENEFITS

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

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

HOLDING COMPANY

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

AUDITORS

The auditors, Messrs. Deloitte, 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 12, 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YEE LEE CORPORATION BHD.
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Yee Lee Corporation Bhd., which comprise the statements of financial position of the Group and of the Company as of December 31, 2014 and the statements of profit or loss, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 47 to 143.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of December 31, 2014 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YEE LEE CORPORATION BHD.
(Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

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

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

(b) we have considered the accounts and auditors' reports of all the subsidiaries, of which we have not acted as auditors, which are indicated in Note 15 to the financial statements;

(c) we are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for those purposes; and

(d) the auditors' reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 37 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

DELOITTE
AF 0080
Chartered Accountants

YEOH SIEW MING
Partner - 2421/05/15(J/PH)
Chartered Accountant

March 12, 2015

STATEMENTS OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2014

		The Group		The Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	5	690,450	658,290	6,629	6,970
Investment revenue	7	761	1,274	-	-
Other gains and losses	8	5,908	7,967	-	-
Changes in inventories of finished goods, trading merchandise and work-in-progress	8	567	1,448	-	-
Raw materials and consumables used	8	(239,096)	(266,519)	-	-
Purchase of finished goods and trading merchandise		(280,604)	(230,484)	-	-
Depreciation of property, plant and equipment	12	(11,219)	(10,597)	-	-
Employee benefits expense	8	(57,806)	(52,270)	(246)	(240)
Finance costs	9	(5,356)	(5,231)	(55)	(61)
Other expenses	8	(76,775)	(67,378)	(241)	(237)
Share of profit of an associated company	16	7,578	6,238	-	-
Profit before tax		34,408	42,738	6,087	6,432
Income tax (expense)/credit	10	(7,394)	(9,193)	2	(287)
Profit for the year attributable to owners of the Company		27,014	33,545	6,089	6,145
Earnings per share					
Basic (sen)	11	15.04	18.96		
Diluted (sen)	11	15.01	18.92		

The accompanying Notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2014

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit for the year	27,014	33,545	6,089	6,145
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income of associated company	1,750	342	-	-
Exchange differences on translating foreign entity	1,106	1,041	-	-
	2,856	1,383	-	-
Available-for-sale financial assets:				
Net fair value gain on available-for-sale financial assets during the year	-	1	-	-
Net fair value (loss)/gain on investments in subsidiary companies during the year	-	-	(33,641)	26,822
	-	1	(33,641)	26,822
Total other comprehensive income/(loss) for the year	2,856	1,384	(33,641)	26,822
Total comprehensive income/(loss) attributable to owners of the Company	29,870	34,929	(27,552)	32,967

The accompanying Notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2014

	Note	The Group 2014 RM'000	The Group 2013 RM'000	The Company 2014 RM'000	The Company 2013 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	261,873	245,680	-	-
Investment properties	13	7,740	6,840	-	-
Investments in subsidiary companies	15	-	-	245,254	277,421
Investment in an associated company	16	66,044	54,967	33,534	29,965
Other investments	17	13	13	-	-
Goodwill on consolidation	18	1,612	1,612	-	-
Total non-current assets		337,282	309,112	278,788	307,386
Current assets					
Inventories	19	69,811	72,355	-	-
Trade and other receivables	20	124,534	136,607	17,035	16,755
Current tax assets	10	1,989	1,315	368	393
Other assets	22	4,135	5,786	3	2
Deposits, cash and bank balances	23	49,946	36,012	31	22
		250,415	252,075	17,437	17,172
Non-current asset classified as held for sale	14	600	-	-	-
Total current assets		251,015	252,075	17,437	17,172
Total assets		588,297	561,187	296,225	324,558

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2014

	Note	The Group 2014 RM'000	The Group 2013 RM'000	The Company 2014 RM'000	The Company 2013 RM'000
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	24	90,323	89,182	90,323	89,182
Reserves	25	62,012	56,817	165,665	196,967
Retained earnings	25	200,215	177,930	30,310	28,950
Total equity		352,550	323,929	286,298	315,099
Non-current liabilities					
Borrowings	26	13,862	7,127	-	-
Deferred tax liabilities	28	20,999	21,406	-	-
Total non-current liabilities		34,861	28,533	-	-
Current liabilities					
Trade and other payables	29	79,963	93,579	8,728	8,260
Borrowings	26	99,622	95,863	1,000	1,000
Current tax liabilities	10	256	568	-	-
Other liabilities	30	21,045	18,715	199	199
Total current liabilities		200,886	208,725	9,927	9,459
Total liabilities		235,747	237,258	9,927	9,459
Total equity and liabilities		588,297	561,187	296,225	324,558

The accompanying Notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2014

The Group	Note	Share Capital RM'000	Share Premium RM'000	Property Revaluation Reserve RM'000	Investment Revaluation Reserve RM'000	Translation Reserve RM'000	Equity Settled Employee Benefits Reserve RM'000	Capital Reserve RM'000	Distributable Reserve - Retained Earnings RM'000	Total Equity RM'000
		Attributable to Owners of the Company								
			Non-distributable Reserves							
Balance as of January 1, 2013		87,793	4	53,529	(8)	(1,804)	736	1,362	147,403	289,015
Profit for the year		-	-	-	-	-	-	-	33,545	33,545
Other comprehensive income for the year		-	-	-	1	1,041	-	342	-	1,384
Total comprehensive income for the year		-	-	-	1	1,041	-	342	33,545	34,929
Payment of dividend	31	-	-	-	-	-	-	-	(3,554)	(3,554)
Recognition of share-based payments		-	-	-	-	-	1,315	-	-	1,315
Exercise of ESOS		1,389	786	-	-	-	(536)	-	536	2,175
Effect of change in expected tax rate		-	-	49	-	-	-	-	-	49

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

The Group	Note	Share Capital RM'000	Share Premium RM'000	Property Revaluation Reserve RM'000	Investment Revaluation Reserve RM'000	Translation Reserve RM'000	Equity Settled Employee Benefits Reserve RM'000	Capital Reserve RM'000	Distributable Reserve - Retained Earnings RM'000	Total Equity RM'000
		Attributable to Owners of the Company								
			Non-distributable Reserves							
Balance as of December 31, 2013		89,182	790	53,578	(7)	(763)	1,515	1,704	177,930	323,929
Profit for the year		-	-	-	-	-	-	-	27,014	27,014
Other comprehensive income for the year		-	-	-	-	1,106	-	1,750	-	2,856
Total comprehensive income for the year		-	-	-	-	1,106	-	1,750	27,014	29,870
Payment of dividend	31	-	-	-	-	-	-	-	(5,405)	(5,405)
Recognition of share-based payments		-	-	-	-	-	1,543	-	-	1,543
Exercise of ESOS		1,141	1,472	-	-	-	(676)	-	676	2,613
Balance as of December 31, 2014		90,323	2,262	53,578	(7)	343	2,382	3,454	200,215	352,550

The accompanying Notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2014

The Company	Note	Share Capital RM'000	Share Premium RM'000	Investment Revaluation Reserve RM'000	Equity Settled Employee Benefits Reserve RM'000	Distributable Reserve - Retained Earnings RM'000	Total Equity RM'000
			← Non-distributable Reserves →				
Balance as of January 1, 2013		87,793	4	167,840	736	25,823	282,196
Profit for the year		-	-	-	-	6,145	6,145
Other comprehensive income for the year		-	-	26,822	-	-	26,822
Total comprehensive income for the year		-	-	26,822	-	6,145	32,967
Payment of dividend	31	-	-	-	-	(3,554)	(3,554)
Recognition of share-based payments		-	-	-	1,315	-	1,315
Exercise of ESOS		1,389	786	-	(536)	536	2,175
Balance as of December 31, 2013		89,182	790	194,662	1,515	28,950	315,099
Profit for the year		-	-	-	-	6,089	6,089
Other comprehensive loss for the year		-	-	(33,641)	-	-	(33,641)
Total comprehensive (loss)/income for the year		-	-	(33,641)	-	6,089	(27,552)
Payment of dividend	31	-	-	-	-	(5,405)	(5,405)
Recognition of share-based payments		-	-	-	1,543	-	1,543
Exercise of ESOS		1,141	1,472	-	(676)	676	2,613
Balance as of December 31, 2014		90,323	2,262	161,021	2,382	30,310	286,298

The accompanying Notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Note	The Group 2014 RM'000	2013 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit for the year		27,014	33,545
Adjustments for:			
Depreciation of property, plant and equipment		11,219	10,597
Income tax expense recognised in statement of profit or loss		7,394	9,193
Finance costs		5,356	5,231
Equity-settled share-based payments		1,543	1,315
Inventories written off		1,517	1,391
Impairment losses recognised on receivables		457	371
Bad debts written off		289	262
Property, plant and equipment written off		197	344
Unrealised loss/(gain) on foreign exchange		48	(244)
Impairment loss recognised on property, plant and equipment		41	-
Share of profit of an associated company		(7,578)	(6,238)
Inventories written (back)/down - net		(1,067)	202
Investment revenue recognised in statements of profit or loss		(761)	(1,274)
Gain on disposal of property, plant and equipment - net		(128)	(89)
Reversal of impairment losses recognised on receivables		(124)	(190)
Gain arising on changes in fair value of investment properties		(103)	(1,918)
		45,314	52,498
Movements in working capital:			
Decrease/(Increase) in:			
Inventories		2,487	(9,473)
Trade and other receivables		11,915	5,949
Other assets		(686)	(7,979)
(Decrease)/Increase in:			
Trade and other payables		(14,104)	1,370
Other liabilities		2,327	2,375
Cash Generated From Operations		47,253	44,740
Tax refunded		489	1,600
Tax paid		(9,321)	(9,393)
Net Cash Generated From Operating Activities		38,421	36,947

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Note	The Group 2014 RM'000	2013 RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Dividends received from an associated company		1,819	1,690
Interest received		497	1,087
Proceeds from disposal of property, plant and equipment		357	1,541
Rental from investment properties received		263	186
Dividends received from quoted shares		1	1
Purchase of property, plant and equipment	34(a)	(24,785)	(13,904)
Purchase of additional shares in associated company		(3,569)	(494)
Net Cash Used In Investing Activities		(25,417)	(9,893)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from/(Repayment of) term loans - net		8,401	(3,316)
Proceeds from/(Repayment of) bankers' acceptances - net		3,931	(10,081)
Proceeds from issuance of shares arising from exercise of ESOS		2,613	2,175
Dividend paid		(5,405)	(3,554)
Finance costs paid		(5,356)	(5,243)
Repayment of revolving credit		(2,000)	-
Repayment of hire-purchase payables		(1,604)	(1,566)
Repayment of trust receipts		-	(436)
Net Cash From/(Used In) Financing Activities		580	(22,021)
NET INCREASE IN CASH AND CASH EQUIVALENTS		13,584	5,033
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		31,722	26,385
Effect of exchange rate changes on the balance of cash held in foreign currencies		5	304
CASH AND CASH EQUIVALENTS AT END OF YEAR	34(b)	45,311	31,722

The accompanying Notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Note	The Company 2014 RM'000	The Company 2013 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit for the year		6,089	6,145
Adjustments for:			
Equity-settled share-based payments		68	61
Finance costs		55	61
Dividend income		(6,629)	(6,970)
Income tax (credit)/expense recognised in statement of profit or loss		(2)	287
		(419)	(416)
Movements in working capital:			
Decrease in other assets		-	2
(Decrease)/Increase in:			
Other payables		-	(14)
Other liabilities		-	28
Cash Used In Operations		(419)	(400)
Income tax refunded		27	-
Dividends received		6,629	6,732
Net Cash Generated From Operating Activities		6,237	6,332
CASH FLOWS USED IN INVESTING ACTIVITIES			
Purchase of additional shares in associated company		(3,569)	(494)
Advances granted to subsidiary company - net		(280)	(1,682)
Net Cash Used In Investing Activities		(3,849)	(2,176)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from issuance of shares arising from exercise of ESOS		2,613	2,175
Advances received from/(Repayment to) subsidiary company - net		468	(2,719)
Dividend paid		(5,405)	(3,554)
Finance costs paid		(55)	(61)
Net Cash Used In Financing Activities		(2,379)	(4,159)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		9	(3)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		22	25
CASH AND CASH EQUIVALENTS AT END OF YEAR	34(b)	31	22

The accompanying Notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The Company is principally involved in investment holding.

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

There have been no significant changes in the nature of the principal 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 12, 2015.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

2.1 Adoption of the Malaysian Financial Reporting Standards

On November 19, 2011, the Malaysian Accounting Standards Board ("MASB") has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework"), a fully International Financial Reporting Standards ("IFRS") compliant framework. Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after January 1, 2012, with the exception of Transitioning Entities ("TEs").

TEs, being entities within the scope of MFRS 141 *Agriculture* and/or IC Interpretation 15: *Agreements for the Construction of Real Estate*, including its parents, significant investors and venturers were allowed to defer the adoption of the MFRS Framework until such time as mandated by the MASB. On September 2, 2014, with the issuance of MFRS 15 *Revenue from Contracts with Customers* and Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*, the MASB announced that TEs which have chosen to continue with the FRS Framework is now required to adopt the MFRS Framework latest by January 1, 2017.

The Group and the Company being TEs have availed themselves of this transitional arrangement and will continue to apply FRSs in the preparation of their financial statements. Accordingly, the Group and the Company will be required to apply MFRS 1 First-time adoption of Malaysian Financial Reporting Standards in their financial statements for the financial year ending December 31, 2017, being the first set of financial statements prepared in accordance with the new MFRS Framework. Further, an explicit and unreserved statement of compliance with IFRSs will be made in these financial statements.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.1 Adoption of the Malaysian Financial Reporting Standards (Cont'd)

MFRS 15 which becomes effective upon adoption of the MFRS Framework, is discussed below:

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 *Revenue*, FRS 111 *Construction Contracts* and the related Interpretations when they become effective.

The core principle of MFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition.

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in MFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by MFRS 15.

The directors of the Group and of the Company anticipate that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in these financial statements. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 15 until the Group and the Company complete a detailed review.

2.2 Adoption of new and revised Financial Reporting Standards ("FRSs")

2.2.1 Amendments to FRSs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Group and the Company have applied a number of amendments to FRSs and a new Interpretation issued by the MASB that are mandatorily effective for an accounting period that begins on or after January 1, 2014.

Amendments to FRS 10, FRS 12 and FRS 127 Investment Entities

The Group and the Company have applied the amendments to FRS 10, FRS 12 and FRS 127 *Investment Entities* for the first time in the current year. The amendments to FRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.2 Adoption of new and revised Financial Reporting Standards ("FRSs") (Cont'd)

2.2.1 Amendments to FRSs and the new Interpretation that are mandatorily effective for the current year (Cont'd)

Consequential amendments have also been made to FRS 12 and FRS 127 to introduce new disclosure requirements for investment entities.

As the Group and the Company are not investment entities (assessed based on the criteria set out in FRS 10 as at January 1, 2014), the application of these amendments has had no impact on the disclosures or the amounts recognised in the Group's and the Company's financial statements.

Amendments to FRS 132 Offsetting Financial Assets and Financial Liabilities

The Group and the Company have applied the amendments to FRS 132 *Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to FRS 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and 'simultaneous realisation and settlement'.

As the Group and the Company do not have any financial assets and financial liabilities that qualify for offset, the application of these amendments has had no impact on the disclosures or on the amounts recognised in these financial statements.

Amendments to FRS 136 Recoverable Amount Disclosures for Non-Financial Assets

The Group and the Company have applied the amendments to FRS 136 *Recoverable Amount Disclosures for Non-Financial Assets* for the first time in the current year. The amendments to FRS 136 remove the requirement to disclose the recoverable amount of a cash-generating unit ("CGU") to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements which is applicable when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation technique used which are in line with the disclosures required by FRS 13 *Fair Value Measurements*.

The application of these amendments has had no material impact on the disclosures in these financial statements.

IC Interpretations ("IC Int.") 21 Levies

The Group has applied IC Int. 21 Levies for the first time in the current year. IC Int. 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

IC Int. 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in these financial statements.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.2 Adoption of new and revised Financial Reporting Standards ("FRSs") (Cont'd)

2.2.2 Standards in issue but not yet effective

The directors anticipate that the following Standards will be adopted in the annual financial statements of the Group and of the Company when they become mandatorily effective for adoption. The adoption of these Standards is not expected to have a material impact on the financial statements of the Group and of the Company except as further discussed below:

FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)[1]
Amendments to FRS 101	Disclosure Initiative[2]
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
Amendments to FRSs	Annual Improvements to FRSs 2010 - 2012 Cycle[3]
Amendments to FRSs	Annual Improvements to FRSs 2011 - 2013 Cycle[4]
Amendments to FRSs	Annual Improvements to FRSs 2012 - 2014 Cycle[2]

[1] Effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.
[2] Effective for annual periods beginning on or after January 1, 2016, with earlier application permitted.
[3] Effective for annual periods beginning on or after July 1, 2014, with limited exceptions. Earlier application is permitted.
[4] Effective for annual periods beginning on or after July 1, 2014, with earlier application permitted.

FRS 9 Financial Instruments

FRS 9 (IFRS 9 issued by IASB in November 2009) introduced new requirements for the classification and measurement of financial assets. FRS 9 (IFRS 9 issued by IASB in October 2010) include requirements for the classification and measurement of financial liabilities and for derecognition, and in February 2014, the new requirements for general hedge accounting was issued by MASB. Another revised version of FRS 9 was issued by MASB - MFRS 9 (IFRS 9 issued by IASB in July 2014) mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of FRS 9:

- all recognised financial assets that are within the scope of FRS 139 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under FRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.2 Adoption of new and revised Financial Reporting Standards ("FRSs") (Cont'd)

2.2.2 Standards in issue but not yet effective (Cont'd)

FRS 9 Financial Instruments (Cont'd)

Key requirements of FRS 9: (Cont'd)

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, FRS 9 requires that the amount of change in the fair value of the financial liability's that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under FRS 139, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

- in relation to the impairment of financial assets, FRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 139. Under FRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Group and of the Company anticipate that the application of FRS 9 in the future may have a material impact on amounts reported in respect of the Group's and of the Company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of FRS 9 until the Group and the Company complete a detailed review.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.2 Adoption of new and revised Financial Reporting Standards ("FRSs") (Cont'd)

2.2.2 Standards in issue but not yet effective (Cont'd)

Amendments to FRS 101 Disclosure Initiative

The amendments to FRS 101 aim at clarifying FRS 101 to address perceived impediments to preparers exercising their judgment in presenting their financial reports. The amendments make the following changes:

- They clarify that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply.
- They introduce a clarification that the list of line items to be presented in the statement of financial position and the statement of profit or loss and other comprehensive income can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarify that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.
- They add additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and removed guidance and examples with regard to the identification of significant accounting policies that were perceived as being potentially unhelpful.

The directors of the Group and of the Company do not anticipate that the application of these amendments to FRS 101 will have a material impact on these financial statements as these amendments deal with the presentation of financial statements.

Amendments to FRS 116 and FRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to FRS 116 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to FRS 138 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

(a) when the intangible asset is expressed as a measure of revenue; or
(b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after January 1, 2016. Currently, the Group uses the reducing balance method for depreciation and amortisation for its property, plant and equipment. The directors of the Company believe that the reducing balance method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to FRS 116 and FRS 138 will have a material impact on these financial statements.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.2 Adoption of new and revised Financial Reporting Standards ("FRSs") (Cont'd)

2.2.2 Standards in issue but not yet effective (Cont'd)

Annual Improvements to FRSs 2010-2012 Cycle

The *Annual Improvements to FRSs 2010-2012 Cycle* include a number of amendments to various FRSs, which are summarised below.

The amendments to FRS 2(i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to FRS 2 are effective for share-based payment transactions for which the grant date is on or after July 1, 2014.

The amendments to FRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at the end of each reporting period, irrespective of whether the contingent consideration is a financial instrument within the scope of FRS 9 or FRS 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit or loss.The amendments to FRS 3 are effective for business combinations for which the acquisition date is on or after July 1, 2014.

The amendments to FRS 8(i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of FRS 13 clarify that the issue of FRS 13 and consequential amendments to FRS 139 and FRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to FRS 116 and FRS 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to FRS 124 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required of the reporting entity.

The directors of the Company do not anticipate that the application of these amendments will have a significant impact on these financial statements.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.2 Adoption of new and revised Financial Reporting Standards ("FRSs") (Cont'd)

2.2.2 Standards in issue but not yet effective (Cont'd)

Annual Improvements to FRSs 2011-2013 Cycle

The *Annual Improvements to FRSs 2011-2013 Cycle* include a number of amendments to various FRSs, which are summarised below.

The amendments to FRS 3 clarify that the standards does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to FRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with FRS 139 or FRS 9, even if those contracts do not meet the definitions of financial assets and financial liabilities within FRS 132.

The amendments to FRS 140 clarify that FRS 140 and FRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of FRS 140; and
(b) the transaction meets the definition of a business combination under FRS 3.

The directors of the Company do not anticipate that the application of these amendments will have a significant impact on these financial statements.

Annual Improvements to FRSs 2012-2014 Cycle

The *Annual Improvements to FRSs 2012-2014 Cycle* include a number of amendments to various FRSs, which are summarised below.

The amendments to FRS 5 *Non-current Assets Held for Sale and Discontinued Operation* adds specific guidance in FRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

The amendments to FRS 7 *Financial Instruments: Disclosures* clarify the applicability of the amendments to FRS 7 on offsetting disclosures to condensed interim financial statements.

The amendments to FRS 119 *Employee Benefits* clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid (thus, the depth of the market for high quality corporate bonds should be assessed at currency level).

The amendments to FRS 134 *Interim Financial Reporting* clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.

The directors of the Company do not anticipate that the application of these amendments will have a significant impact on these financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared on the historical cost basis except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, at the end of each reporting period as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 2, leasing transactions that are within the scope of FRS 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 102 or value in use in FRS 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

The principal accounting policies are set out below.

Subsidiaries and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and of the subsidiary companies controlled by the Company. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subsidiaries and Basis of Consolidation (Cont'd)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Business Combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with FRS 112 *Income Taxes* and FRS 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to the share-based payment arrangements of the acquire or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with FRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRSs.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with FRS 139 or FRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interests in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Business Combinations (Cont'd)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

The policy described above is applied to all business combinations that take place on or after January 1, 2011.

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 accommodation, entrance fee for tea garden tow and other tourism related services is recognised when services are provided.

Dividend revenue

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

Interest income

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

Rental income

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Employee Benefits

Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised 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 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.

Share-based compensation benefits

The Company operates an equity-settled, share-based compensation plan, where shares and/or options are issued by the Company to eligible directors and executive employees of the Group and of the Company. The fair value of the employee services received in exchange for the grant of the shares and/or options is recognised as an expense with a corresponding entry to reserves over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares and/or options granted at the grant date and the number of shares and/or options vested by vesting date, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the estimates of the number of the options that are expected to become exercisable. The grant of options by the Company over its equity instruments to the directors and employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

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 the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreign Currencies (Cont'd)

For the purpose of presenting consolidated financial statements, assets and liabilities of the foreign incorporated subsidiary of the Group are expressed in Ringgit Malaysia using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in the translation reserve of the Group. Such exchange differences are reclassified to 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	**2014 RM**	**2013 RM**
Vietnamese Dong ("VND")	6,120.00	6,435.00

Borrowing Costs

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

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

Government Grants

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

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

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

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 statements of 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 end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Taxation (Cont'd)

Deferred tax

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

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

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

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

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sales. The directors of the Company reviewed the Group's investment property portfolio and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the "sale" presumption set out in the amendments to FRS 112 is not rebutted. As a result, the Group has recognised deferred taxes on changes in fair values of investment properties based on the expected tax rate that would apply on disposal of the investment properties.

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

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in statements of profit or loss, except when they relate to items that are recognised outside statements of profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside statements of profit or loss, 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment

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

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

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

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

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

Leasehold land is amortised over the lease period ranging from 32 to 99 years. Depreciation of other property, plant and equipment is computed on the reducing balance method to write off the cost of the various property, plant and equipment over their estimated useful lives at the following annual rates:

Buildings	2% to 20%
Electricity and water supply system	10%
Plant and machinery	2% to 50%
Motor vehicles	10% to 20%
Furniture, fixtures and equipment	10% to 33%
Renovations	10%

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, where there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

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 the statements of 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 statements of 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.

Leases

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Investments in Subsidiary Companies

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

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

Investments in Associated Company

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 statement of profit or loss and any impairment loss recognised for goodwill is not subsequently reversed.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of profit 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 statements of profit or loss.

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

Non-Current Asset Held for Sale

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

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

Impairment of Assets excluding Goodwill

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

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

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 the statements of 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 been recognised for the asset in prior years. A reversal is recognised immediately in the statements of 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.

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, fertilisers 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 statements of 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.

Provisions

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments

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

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

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

Effective interest method

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

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

(a) Financial assets

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

(i) AFS financial assets

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

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

(ii) Loans and receivables

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Financial assets (Cont'd)

(iii) Impairment of financial assets

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

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

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

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

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are debited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statements of profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the statements of profit or loss to the extent that the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Financial assets (Cont'd)

(iv) Derecognition of financial assets

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statements of profit or loss.

(b) Financial liabilities and equity instruments

(i) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

(ii) Equity instruments

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

(iii) Financial liabilities

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

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

(iv) Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in statements of profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Derivative financial instruments

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

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

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

Statements of Cash Flows

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

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies of the Group and of the Company, the directors are required to make 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.

In the process of applying accounting policies of the Group and of the Company, the directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

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

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

(a) <u>Impairment of Goodwill</u>

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 CGUs that are expected to benefit from the synergies of the business combination in which the goodwill arose.

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

(a) Impairment of Goodwill (Cont'd)

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 the management covering a period of five years. The terminal value is calculated based on the projected terminal growth of the CGUs at the end of the fifth year.

The key assumptions for value-in-use include the management's expectation of revenue growth and operating costs, drawing from past experience and current assessment of the market and industry growth as well as the maximum capacity available.

(b) Fair Value Estimation on Investments in Subsidiary Companies

The Company holds unquoted shares in subsidiary companies that are not traded in an active market. The Company used the Free Cash Flow to Equity valuation technique by estimating free cash flow to equity for financial years 2015 to 2019 and discounting these cash flows at an appropriate discount rate.

(c) 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.

(d) Impairment of Property, Plant and Equipment

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

Where there are signs of impairment in the value of the Group's property, plant and equipment, a review of recoverable amounts is performed. The recoverable amount is determined based on value-in-use calculations. These calculations use cash flow projections based on a financial forecast, approved by the management covering a period of five years. The terminal value is calculated based on the projected residual value of the CGUs at the end of the fifth year.

The key assumptions for value-in-use include the management's expectation of revenue growth and operating costs, drawing from past experience and current assessment of the market and industry growth as well as the maximum capacity available.

(e) Write Down of Inventories

The Group writes down inventories based on an assessment of the recoverability of the inventories through sales and recycling for alternative uses. Write downs are applied to inventories where events or changes in circumstances indicate that the costs may not be recoverable.

The identification of inventories to be written down 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 inventory write down expenses in the period in which such estimate has been changed.

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

(f) Recoverability of Receivables

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

(g) Income Taxes

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

(h) Deferred Tax Assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

(i) Deferred Tax on Investment Properties

For the purposes of measuring deferred tax liabilities and deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolio and concluded that the Group's investment properties are not being held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Groups' deferred tax on investment properties, the directors have determined that the presumption that the carrying amounts of the investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has recognised deferred taxes on changes in fair value investment properties based on the expected rate that would apply on disposal of the investment properties.

5. REVENUE

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Sale of goods	688,165	656,402	-	-
Tourism related services	2,285	1,888	-	-
Dividend income:				
Subsidiary companies	-	-	4,810	5,280
Associated company	-	-	1,819	1,690
	-	-	6,629	6,970
	690,450	658,290	6,629	6,970

6. SEGMENT REPORTING

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

The Group is organised into the following operating divisions:
- manufacturing (includes cooking oils, margarine, shortening, corrugated paper cartons, crude palm oil, kernel and general line tin cans)
- trading (includes edible oils 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.

The Group 2014	Note	Manufacturing RM'000	Trading RM'000	Plantation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue							
External sales		223,699	464,075	391	2,285	-	690,450
Inter-segment sales		230,591	129	6,362	6,648	(243,730)	-
Total revenue		454,290	464,204	6,753	8,933	(243,730)	690,450
Results							
Segment results		19,688	9,872	182	6,736	(5,053)	31,425
Finance costs	9						(5,356)
Share of profit of an associated company							7,578
Investment revenue	7						761
Profit before tax							34,408
Income tax expense							(7,394)
Profit for the year							27,014

6. SEGMENT REPORTING (CONT'D)

The Group 2014	Manufacturing RM'000	Trading RM'000	Plantation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Other information						
Capital additions	22,607	6,160	403	63	(349)	28,884
Depreciation and amortisation charges	(7,498)	(2,598)	(760)	(363)	-	(11,219)
Inventories write back - net	1,067	-	-	-	-	1,067
Impairment losses recognised on receivables	(1,955)	(450)	-	-	1,948	(457)
Gain on disposal of property, plant and equipment	60	56	3	-	9	128
Reversal of impairment losses recognised on receivables	-	124	-	-	-	124
Impairment loss recognised on property, plant and equipment	-	(41)	-	-	-	(41)
Inventories written off	(21)	(1,496)	-	-	-	(1,517)
Bad debts written off	-	(289)	-	-	-	(289)
Property, plant and equipment written off	(130)	(62)	(3)	(2)	-	(197)
Consolidated Statement of Financial Position						
Assets						
Segment assets	332,655	196,417	49,159	344,485	(403,063)	519,653
Investment in an associated company						66,044
Unallocated corporate assets						2,600
Consolidated total assets						588,297
Liabilities						
Segment liabilities	50,751	99,817	17,383	27,871	(94,814)	101,008
Unallocated corporate liabilities						134,739
Consolidated total liabilities						235,747

6. SEGMENT REPORTING (CONT'D)

The Group 2013	Note	Manufacturing RM'000	Trading RM'000	Plantation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue							
External sales		226,778	429,538	85	1,889	-	658,290
Inter-segment sales		241,667	192	5,111	7,312	(254,282)	-
Total revenue		468,445	429,730	5,196	9,201	(254,282)	658,290
Results							
Segment results		27,671	12,417	(294)	7,229	(6,566)	40,457
Finance costs	9						(5,231)
Share of profit of an associated company							6,238
Investment revenue	7						1,274
Profit before tax							42,738
Income tax expense							(9,193)
Profit for the year							33,545

6. SEGMENT REPORTING (CONT'D)

The Group 2013	Manufacturing RM'000	Trading RM'000	Plantation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Other information						
Capital additions	12,808	6,841	1,300	580	-	21,529
Depreciation and amortisation charges	(7,159)	(2,413)	(655)	(370)	-	(10,597)
Impairment losses recognised on receivables	(72)	(299)	-	-	-	(371)
Reversal of impairment losses recognised on receivables	97	93	-	-	-	190
Gain on disposal of property, plant and equipment	53	22	-	13	-	88
Inventories written off	(11)	(1,375)	(4)	-	-	(1,390)
Property, plant and equipment written off	(272)	(67)	(5)	-	-	(344)
Bad debts written off	(262)	-	-	-	-	(262)
Inventories write down - net	(202)	-	-	-	-	(202)
Consolidated Statement of Financial Position						
Assets						
Segment assets	331,076	197,554	49,303	364,495	(437,947)	504,481
Investment in an associated company						54,967
Unallocated corporate assets						1,738
Consolidated total assets						561,186
Liabilities						
Segment liabilities	59,097	112,155	17,507	27,158	(103,623)	112,294
Unallocated corporate liabilities						124,963
Consolidated total liabilities						237,257

6. SEGMENT REPORTING (CONT'D)

Geographical segments

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

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

	2014 RM'000	2013 RM'000
Malaysia	23,450	19,670
Vietnam	5,434	1,859
	28,884	21,529

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

7. INVESTMENT REVENUE

	The Group	
	2014 RM'000	2013 RM'000
Interest income from fixed and short-term deposits	492	947
Rental income from investment properties	263	186
Interest received on advances granted to ultimate holding company	5	140
Dividend income from quoted shares	1	1
	761	1,274

The following is an analysis of investment revenue by category of assets:

	The Group	
	2014 RM'000	2013 RM'000
Investment revenue for financial assets not designated as at fair value through profit or loss	497	1,087
Investment revenue earned on non-financial assets	263	186
Dividend income earned on available-for-sale financial assets	1	1
	761	1,274

8. OTHER GAINS AND LOSSES, CHANGES IN INVENTORIES OF FINISHED GOODS, TRADING MERCHANDISE AND WORK-IN-PROGRESS, OTHER EXPENSES, RAW MATERIALS AND CONSUMABLES USED AND EMPLOYEE BENEFITS EXPENSE

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Inventories written back/(down) - net	1,067	(202)	-	-
Realised gain/(loss) on foreign exchange - net	263	(658)	-	-
Gain on disposal of property, plant and equipment - net	128	89	-	-
Reversal of impairment losses recognised on receivables	124	190	-	-
Changes in fair value of investment properties	103	1,918	-	-
Rental income:				
Premises	35	12	-	-
Motor vehicles	8	8	-	-
Bad debts recovered	1	13	-	-
Directors' remuneration:				
Directors of the Company:				
Fees	(211)	(218)	(138)	(138)
Other emoluments	(2,636)	(2,254)	(40)	(42)
Directors of the subsidiary companies:				
Fees	(70)	(72)	-	-
Other emoluments	(2,205)	(2,288)	-	-
Rental expense:				
Premises	(1,885)	(2,167)	-	-
Factory equipment	(108)	(96)	-	-
Inventories written off	(1,517)	(1,391)	-	-
Impairment losses recognised on receivables	(457)	(371)	-	-
Hire of machinery	(404)	(439)	-	-
Auditors' remuneration:				
Statutory audit:				
Current year	(358)	(342)	(65)	(65)
Prior year	-	(5)	-	-
Non-audit services	(3)	(23)	-	-
Bad debts written off	(289)	(262)	-	-
Property, plant and equipment written off	(197)	(344)	-	-
Unrealised (loss)/gain on foreign exchange	(48)	244	-	-
Impairment loss recognised on property, plant and equipment	(41)	-	-	-
Research and development expenses	(26)	(18)	-	-
Lease rental	(6)	(13)	-	-

8. OTHER GAINS AND LOSSES, CHANGES IN INVENTORIES OF FINISHED GOODS, TRADING MERCHANDISE AND WORK-IN-PROGRESS, OTHER EXPENSES, RAW MATERIALS AND CONSUMABLES USED AND EMPLOYEE BENEFITS EXPENSE (CONT'D)

Included in raw materials and consumables used and other expenses are subsidies received and receivable from the Government by a subsidiary company under the Cooking Oil Price Stabilization Scheme and Cooking Oil Price Standardization Scheme amounting to RM29,816,682 (2013: RM29,839,878) and RM1,864,486 (2013: RM1,449,357) respectively.

Included in other gains is subsidy received from Malaysian Palm Oil Board by a subsidiary company under the Replanting Incentive Scheme amounting to RM15,680 (2013: Nil).

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Contributions to EPF:				
Employee benefits expense	4,742	4,373	-	-
Directors' remuneration	428	367	-	-
Rental of hostel:				
Employee benefits expense	172	188	-	-
Equity-settled share-based payments:				
Employee benefits expense	1,069	894	-	-
Directors' remuneration	474	420	68	61

The estimated monetary value of benefits-in-kind received and receivable by the directors otherwise than in cash from the Group amounted to RM120,213 (2013: RM98,976).

9. FINANCE COSTS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Interest on:				
Bankers' acceptances	2,918	2,711	-	-
Term loans	760	647	-	-
Revolving credits	659	665	44	41
Bank overdrafts	319	458	1	11
Hire-purchase	201	171	-	-
Trust receipts	-	1	-	-
Bank charges and commitment fees	500	590	10	9
	5,357	5,243	55	61
Less: Hire-purchase interest capitalised under plantation development expenditure (Note 12)	(1)	(12)	-	-
	5,356	5,231	55	61

10. INCOME TAX EXPENSE/(CREDIT)

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Income tax:				
Current year:				
Malaysian	7,902	8,104	-	229
Foreign	139	717	-	-
	8,041	8,821	-	229
Prior year:				
Malaysian	(14)	191	(2)	58
Foreign	(227)	(953)	-	-
	(241)	(762)	(2)	58
	7,800	8,059	(2)	287
Deferred tax (Note 28):				
Relating to origination and reversal of temporary differences	295	1,485	-	-
Relating to crystallisation of deferred tax liability on revaluation surplus of land and buildings and investment properties	(222)	(442)	-	-
Prior years	(479)	91	-	-
	(406)	1,134	-	-
	7,394	9,193	(2)	287

The Group's and the Company's income tax rate remained at 25% for the year of assessment 2014 except for its foreign subsidiary company.

The Finance (No. 2) Act 2014 which was gazetted on December 30, 2014 reduced the corporate income tax rate from 25% to 24% with effect from year of assessment 2016. The Real Property Gains Tax ("RPGT") is also revised to 30% for disposal within the first three years, 20% in the fourth year, 15% in the fifth year and 5% from sixth year onwards, on gains from the disposal of real property effective January 1, 2014. Following these, the applicable tax rates to be used for the measurement of any applicable deferred tax will be the abovementioned expected rates.

10. INCOME TAX EXPENSE/(CREDIT) (CONT'D)

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit before tax	34,408	42,738	6,087	6,432
Tax at the applicable statutory income tax rate of 25% (2013: 25%)	8,602	10,684	1,522	1,608
Tax effects of:				
Expenses that are not deductible in determining taxable profit	2,029	1,974	136	127
Loss not available for offset against future taxable profit	6	5	-	-
Share of profit of an associated company	(1,894)	(1,559)	-	-
Income that is not taxable in determining taxable profit	(489)	(481)	(1,658)	(1,506)
Revenue expenses capitalised	(69)	(346)	-	-
Expenses eligible for double deduction	(63)	(31)	-	-
Utilisation of capital allowances previously not recognised as deferred tax assets	-	(346)	-	-
Unutilised tax losses and unabsorbed agricultural, tax capital allowances and others not recognised as deferred tax assets	-	215	-	-
Utilisation of reinvestment allowances	-	(167)	-	-
Effect of difference in tax rate of a subsidiary operating in other jurisdictions	(8)	(84)	-	-
Prior years:				
Income tax	(241)	(762)	(2)	58
Deferred tax	(479)	91	-	-
Income tax expense/(credit) recognised in statements of profit or loss	7,394	9,193	(2)	287

As of December 31, 2014, the Company has tax-exempt accounts balances of approximately RM35,526,396 (2013: RM36,118,722). The tax-exempt accounts arose from claims for abatement of statutory income for exports under Section 37(1) of the Promotion of Investment Act, 1986, reinvestment allowances claimed and utilised under Schedule 7A of the Income Tax Act, 1967 and chargeable income waived in 1999 in accordance with the Income Tax (Amendment) Act, 1999. The tax-exempt accounts are available for distribution as tax-exempt dividends to the shareholders of the Company.

10. INCOME TAX EXPENSE/(CREDIT) (CONT'D)

As of December 31, 2014, certain subsidiary companies have tax-exempt accounts balances of approximately RM8,696,905 (2013: RM14,637,183). The tax-exempt accounts arose from abatement of statutory income for exports under Section 37(1) of the Promotion of Investment Act, 1986, reinvestment allowances claimed and utilised under Schedule 7A of the Income Tax Act, 1967 and chargeable income waived in 1999 in accordance with the Income Tax (Amendment) Act, 1999. The tax-exempt accounts are available for distribution as tax-exempt dividends to the shareholder of the subsidiary companies.

Current tax assets and liabilities

The Group	**2014 RM'000**	**2013 RM'000**
Current tax assets		
Tax refund receivable	1,989	1,315
Current tax liabilities		
Income tax payable	256	568

The Company	**2014 RM'000**	**2013 RM'000**
Current tax assets		
Tax refund receivable	368	393

11. EARNINGS PER ORDINARY SHARE

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

	The Group	
	2014	**2013**
Basic		
Profit for the year attributable to owners of the Company (RM'000)	27,014	33,545
Number of ordinary shares in issue as of January 1 ('000)	178,364	175,586
Effect of exercise of ESOS ('000)	1,284	1,333
Weighted average number of ordinary shares in issue ('000)	179,648	176,919
Basic earnings per ordinary share (sen)	15.04	18.96
Diluted		
Profit for the year attributable to owners of the Company (RM'000)	27,014	33,545
Weighted average number of ordinary shares in issue ('000)	179,648	176,919
Effect of exercise of ESOS ('000)	379	361
Adjusted weighted average number of ordinary shares for calculating fully diluted earnings per ordinary share ('000)	180,027	177,280
Diluted earnings per ordinary share (sen)	15.01	18.92

12. PROPERTY, PLANT AND EQUIPMENT

The Group 2014	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 investment properties RM'000	Reclassification RM'000	At end of year RM'000
Freehold land:								
At valuation	39,634	-	-	-	-	-	-	39,634
At cost	69	5,602	-	-	-	-	-	5,671
Long-term leasehold land and improvements:								
At valuation	48,914	-	-	-	-	-	185	49,099
Short-term leasehold land and improvements:								
At valuation	13,520	-	-	-	-	-	(185)	13,335
At cost	4,395	-	-	-	226	-	-	4,621
Buildings:								
At valuation	53,027	-	-	-	-	-	-	53,027
At cost	19,018	9,658	-	-	-	(1,430)	5,900	33,146
Electricity and water supply system	1,006	20	-	-	-	-	-	1,026
Plant and machinery	127,017	3,288	(235)	(3,839)	397	-	1,377	128,005
Plant and machinery under hire-purchase	4,167	-	-	-	-	-	-	4,167
Motor vehicles	15,300	603	(1,516)	(76)	25	-	1,012	15,348
Motor vehicles under hire-purchase	5,043	2,102	-	-	-	-	(1,012)	6,133
Furniture, fixtures and equipment	15,838	987	(218)	(933)	18	-	9	15,701
Plantation development expenditure	8,484	324	-	(3)	-	-	-	8,805
Renovations	1,976	328	-	(37)	-	-	-	2,267
Capital work-in-progress	2,341	5,972	-	-	94	-	(7,286)	1,121
Total	359,749	28,884	(1,969)	(4,888)	760	(1,430)	-	381,106

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

The Group 2014	Accumulated depreciation								Accumulated 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 investment properties RM'000	Reclassification RM'000	At end of year RM'000	At beginning of year RM'000	Additions/ (Write back) RM'000	At end of year RM'000
Freehold land:											
At valuation	-	-	-	-	-	-	-	-	-	-	-
At cost	-	-	-	-	-	-	-	-	-	-	-
Long-term leasehold land and improvements:											
At valuation	2,847	714	-	-	-	-	13	3,574	-	-	-
Short-term leasehold land and improvements:											
At valuation	1,469	359	-	-	-	-	(13)	1,815	-	-	-
At cost	145	100	-	-	13	-	-	258	-	-	-
Buildings:											
At valuation	4,314	746	-	-	-	-	88	5,148	-	-	-
At cost	1,720	578	-	-	1	(33)	(88)	2,178	-	-	-
Electricity and water supply system	149	95	-	-	-	-	-	244	-	-	-
Plant and machinery	81,237	5,131	(203)	(3,826)	247	-	-	82,586	-	41	41
Plant and machinery under hire-purchase	916	211	-	-	-	-	-	1,127	-	-	-
Motor vehicles	10,969	1,516	(1,334)	(73)	19	-	484	11,581	-	-	-
Motor vehicles under hire-purchase	1,283	956	-	-	-	-	(484)	1,755	-	-	-
Furniture, fixtures and equipment	8,344	762	(203)	(771)	16	-	-	8,148	-	-	-
Plantation development expenditure	-	-	-	-	-	-	-	-	-	-	-
Renovations	676	123	-	(21)	-	-	-	778	-	-	-
Capital work-in-progress	-	-	-	-	-	-	-	-	-	-	-
Total	114,069	11,291	(1,740)	(4,691)	296	(33)	-	119,192	-	41	41

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

The Group 2013	At beginning of year RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Currency translation reserve RM'000	Transfer to investment properties RM'000	Adjustment RM'000	Reclassification RM'000	At end of year RM'000
	Cost except as otherwise stated								
Freehold land:									
At valuation	39,634	-	-	-	-	-	-	-	39,634
At cost	69	-	-	-	-	-	-	-	69
Long-term leasehold land and improvements:									
At valuation	48,914	-	-	-	-	-	-	-	48,914
Short-term leasehold land and improvements:									
At valuation	13,760	-	-	-	-	(240)	-	-	13,520
At cost	4,157	-	-	-	238	-	-	-	4,395
Buildings:									
At valuation	53,307	-	-	-	-	(280)	-	-	53,027
At cost	13,886	5,132	-	-	-	-	-	-	19,018
Electricity and water supply system	383	623	-	-	-	-	-	-	1,006
Plant and machinery	120,468	7,215	(85)	(765)	418	-	(234)	-	127,017
Plant and machinery under hire-purchase	3,987	180	-	-	-	-	-	-	4,167
Motor vehicles	15,100	1,879	(2,874)	-	25	-	-	1,170	15,300
Motor vehicles under hire-purchase	4,139	2,283	(209)	-	-	-	-	(1,170)	5,043
Furniture, fixtures and equipment	16,584	769	(465)	(1,032)	19	-	(46)	9	15,838
Plantation development expenditure	7,874	622	-	(3)	-	-	-	(9)	8,484
Renovations	1,677	620	(321)	-	-	-	-	-	1,976
Capital work-in-progress	68	2,206	-	-	67	-	-	-	2,341
Total	344,007	21,529	(3,954)	(1,800)	767	(520)	(280)	-	359,749

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

The Group 2013	Accumulated depreciation									Accumulated 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 investment properties RM'000	Adjustment RM'000	Reclassification RM'000	At end of year RM'000	At beginning of year RM'000	Additions/ (Write back) RM'000	At end of year RM'000
Freehold land:												
At valuation	-	-	-	-	-	-	-	-	-	-	-	-
At cost	-	-	-	-	-	-	-	-	-	-	-	-
Long-term leasehold land and improvements:												
At valuation	2,135	712	-	-	-	-	-	-	2,847	-	-	-
Short-term leasehold land and improvements:												
At valuation	1,138	371	-	-	-	(40)	-	-	1,469	-	-	-
At cost	46	93	-	-	6	-	-	-	145	-	-	-
Buildings:												
At valuation	3,849	483	-	-	-	(18)	-	-	4,314	-	-	-
At cost	675	1,045	-	-	-	-	-	-	1,720	-	-	-
Electricity and water supply system	68	81	-	-	-	-	-	-	149	-	-	-
Plant and machinery	76,788	5,044	(67)	(710)	207	-	(27)	2	81,237	-	-	-
Plant and machinery under hire-purchase	688	228	-	-	-	-	-	-	916	-	-	-
Motor vehicles	11,320	1,165	(2,187)	-	16	-	-	655	10,969	-	-	-
Motor vehicles under hire-purchase	1,400	538	-	-	-	-	-	(655)	1,283	-	-	-
Furniture, fixtures and equipment	8,373	908	(173)	(746)	15	-	(31)	(2)	8,344	-	-	-
Plantation development expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Renovations	606	145	(75)	-	-	-	-	-	676	-	-	-
Capital work-in-progress	-	-	-	-	-	-	-	-	-	-	-	-
Total	107,086	10,813	(2,502)	(1,456)	244	(58)	(58)	-	114,069	-	-	-

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

The Group	Carrying amounts 2014 RM'000	2013 RM'000
Freehold land:		
At valuation	39,634	39,634
At cost	5,671	69
Long-term leasehold land and improvements:		
At valuation	45,525	46,067
Short-term leasehold land and improvements:		
At valuation	11,520	12,051
At cost	4,363	4,250
Buildings:		
At valuation	47,879	48,713
At cost	30,968	17,298
Electricity and water supply system	782	857
Plant and machinery	45,378	45,780
Plant and machinery under hire-purchase	3,040	3,251
Motor vehicles	3,767	4,331
Motor vehicles under hire-purchase	4,378	3,760
Furniture, fixtures and equipment	7,553	7,494
Plantation development expenditure	8,805	8,484
Renovations	1,489	1,300
Capital work-in-progress	1,121	2,341
Total	261,873	245,680

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

The Group	2014 RM'000	2013 RM'000
Depreciation of property, plant and equipment	72	216
Interest on hire-purchase (Note 9)	1	12

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

The Group	2014 RM'000	2013 RM'000
Statements of profit or loss	11,219	10,597
Plantation development expenditure	72	216
	11,291	10,813

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

Details of the Group's and of the Company's land and buildings and information about the fair value hierarchy as of December 31, 2014 are as follows:

	Fair Value		
The Group 2014	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**
Freehold land	-	39,634	-
Long-term leasehold land	-	49,099	-
Short-term leasehold land	-	13,335	-
Buildings	-	53,027	-
	-	155,095	-
The Group 2013			
Freehold land	-	39,634	-
Long-term leasehold land	-	48,914	-
Short-term leasehold land	-	13,520	-
Buildings	-	53,027	-
	-	155,095	-

There were no transfers between Levels 1 and 2 during the year.

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.

13. INVESTMENT PROPERTIES

The Group 2014	At beginning of year RM'000	Additions RM'000	Disposals RM'000	Transfers from property, plant and equipment RM'000	Transfers to non-current asset classified as held for sale RM'000	Changes in fair value RM'000	Reclassification RM'000	At end of year RM'000
At fair value:								
Freehold land	1,560	-	-	-	-	-	-	1,560
Long-term leasehold land	781	-	-	-	-	-	199	980
Short-term leasehold land	2,125	-	-	-	(276)	-	(199)	1,650
Buildings	2,374	-	-	1,397	(324)	103	-	3,550
As of December 31, 2014	6,840	-	-	1,397	(600)	103	-	7,740

The Group 2013	At beginning of year RM'000	Additions RM'000	Disposals RM'000	Transfers from property, plant and equipment RM'000	Transfers to non-current asset classified as held for sale RM'000	Changes in fair value RM'000	Reclassification RM'000	At end of year RM'000
At fair value:								
Freehold land	1,300	-	-	-	-	260	-	1,560
Long-term leasehold land	781	-	-	-	-	-	-	781
Short-term leasehold land	1,088	-	-	200	-	837	-	2,125
Buildings	1,291	-	-	262	-	821	-	2,374
As of December 31, 2013	4,460	-	-	462	-	1,918	-	6,840

The investment properties and the buildings transferred from property, plant and equipment during the financial year were revalued by the directors on December 31, 2013 and December 31, 2014 respectively based on valuations carried out by independent valuers by reference to market evidence of recent transactions for similar properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

As of December 31, 2014, there were no contractual obligations of the Group for future repairs and maintenance (2013: Nil).

During the financial year ended December 31, 2014, direct operating expenses incurred relating to the investment properties of the Group amounted to RM76,643 (2013: RM17,794).

13. INVESTMENT PROPERTIES (CONT'D)

Details of the Group's investment properties and information about the fair value hierarchy as of December 31, 2014 are as follows:

	Fair Value		
The Group	**Level 1**	**Level 2**	**Level 3**
2014	**RM'000**	**RM'000**	**RM'000**
Investment properties	-	7,740	-
The Group			
2013			
Investment properties	-	6,840	-

There were no transfers between Levels 1 and 2 during the year.

14. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

The Group	**2014 RM'000**	**2013 RM'000**
Short-term leasehold land	276	-
Building	324	-
	600	-

The Group intends to dispose of its short-term leasehold land and building previously classified as an investment property within the next 12 months. A Sale and Purchase agreement has already been signed subsequent to the financial year end, and no impairment loss was recognised on reclassification of the short-term leasehold land and building as held for sale as the fair value less costs to sell (estimated based on the agreed disposal price) is higher than the carrying amount.

15. INVESTMENTS IN SUBSIDIARY COMPANIES

The Company	**2014 RM'000**	**2013 RM'000**
Unquoted shares - available-for-sale:		
At beginning of year	277,421	249,345
Additions	1,474	1,254
Fair value adjustment	(33,641)	26,822
At end of year	245,254	277,421

15. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

During the financial year, the additions relate to net share options granted to the directors and executive employees of the subsidiary companies.

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

- Receivables, payables and inventories turnover period is estimated to be consistent with the current financial year.
- There will be no material changes in prevailing economic and political climate and government policies and regulations that would significantly affect the operations of the respective companies.
- The five years cash flow projections extrapolate the results using steady growth rates ranging from -0.50% to 2.00% per annum for the Malaysian companies and 6.00% per annum for the Vietnam company while terminal growth rates used for the Malaysian and Vietnam companies are 4.00% and 5.00% respectively.
- The following discount rates applied have incorporated elements of country-specific risk, time value of money as well as business risk:
  - 14.24% - 20.24% for companies which manufacture palm based products;
  - 16.21% for company that manufactures paper cartons;
  - 23.65% and 23.70% for companies that manufacture tin cans in Vietnam and Malaysia respectively;
  - 16.83% - 18.63% for trading companies; and
  - 7.10% - 12.45% for other companies.

The subsidiary companies are as follows:

Name of Company	Place of Incorporation	Effective Equity Interest 2014 %	Effective Equity Interest 2013 %	Principal Activities
Direct Subsidiary Companies				
Yee Lee Trading Co. Sdn. Bhd.	Malaysia	100.00	100.00	Marketing and distribution of edible oils and other consumer products.
Yee Lee Palm Oil Industries Sdn. Bhd.	Malaysia	100.00	100.00	Milling and selling of crude palm oil and kernel.
Yee Lee Edible Oils Sdn. Bhd.	Malaysia	100.00	100.00	Manufacturing of cooking oil, margarine and shortening and trading of consumer products.
South East Asia Paper Products Sdn. Bhd.	Malaysia	100.00	100.00	Manufacturing and selling of corrugated paper cartons.
Canpac Sdn. Bhd.	Malaysia	100.00	100.00	Manufacturing and trading of general line tin cans.
Intanwasa Sdn. Bhd.	Malaysia	100.00	100.00	Investment holding.
Yee Lee Marketing Sdn. Bhd.*	Malaysia	100.00	100.00	Marketing and distribution of consumer products.

15. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Name of Company	Place of Incorporation	Effective Equity Interest 2014 %	2013 %	Principal Activities
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	Ceased its business activity since December 31, 2010.
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	Ceased tourism related services activities in 2013.
Sabah Tea Resort Sdn. Bhd.	Malaysia	100.00	100.00	Tourism related services.

* The financial statements of this company are examined by an auditor other than the auditors of the Company.

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

15. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Composition of the Group

Information about composition of the Group at the end of the reporting period is as follows:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		2014	2013
Marketing and distribution of edible oils and other consumer products	Malaysia	2	2
Oil palm cultivation, milling and selling of crude palm oil and kernel	Malaysia	2	2
Manufacturing of cooking oil, margarine and shortening and trading of consumer products	Malaysia	1	1
Manufacturing and selling of corrugated paper cartons and general line tin cans	Malaysia	2	2
	Vietnam	1	1
Investment holdings	Malaysia	2	2
Planting, processing and distribution of tea	Malaysia	1	1
Tourism related services	Malaysia	1	1
Pre-operating/Ceased business activity	Malaysia	3	3
		15	15

16. INVESTMENT IN AN ASSOCIATED COMPANY

The Group	2014 RM'000	2013 RM'000
Quoted shares, at cost	33,534	29,965
Share of post-acquisition results, net of dividends received	27,180	21,421
Share of post-acquisition reserves	5,330	3,581
	32,510	25,002
	66,044	54,967
Market value of:		
Quoted shares	94,154	75,278
Quoted Warrants	6,328	7,078

The Company	2014 RM'000	2013 RM'000
Quoted shares, at cost	33,534	29,965
Market value of:		
Quoted shares	94,154	75,278
Quoted Warrants	6,328	7,078

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

	The Group	
	2014 RM'000	2013 RM'000
Share of net assets	67,092	56,015
Reserve on acquisition	(1,048)	(1,048)
	66,044	54,967

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

The associated company of the Group is as follows:

Name of Company	Place of Incorporation	Proportion of ownership interest 2014 %	2013 %	Principal Activity	Financial Year End
Spritzer Bhd.	Malaysia	32.76	32.05	Investment holding.	May 31

The reporting date of Spritzer Bhd. is May 31. This was the reporting date established when that company was incorporated and management considers that it is unnecessary to change the reporting date. For the purpose of applying equity method of accounting, the audited consolidated financial statements of Spritzer Bhd. for the year ended May 31, 2014 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and December 31, 2014.

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

	The Group	
	2014 RM'000	2013 RM'000
Current assets	99,990	96,844
Non-current assets	203,790	197,577
Current liabilities	76,580	90,921
Non-current liabilities	28,312	30,690
Revenue	249,761	223,717
Profit for the year	23,134	19,335
Total comprehensive income for the year	23,134	19,335
Dividends received from the associate during the year	1,819	1,690

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

A reconciliation of the above summarised financial information to the carrying amount of the interest in Spritzer Bhd. recognised in the consolidated financial statements is as follows:

	The Group	
	2014 RM'000	2013 RM'000
Net assets of the associate	198,889	172,810
Proportion of the Group's ownership interest in Spritzer Bhd. *	32.76%	32.05%
	65,151	55,392
Other adjustments:		
Reserves on acquisition	(1,745)	(1,745)
Share premium	697	697
Increase in proportionate ownership of prior year net assets due to accretion in interest	1,940	622
Carrying amount of the Group's interest in Spritzer Bhd.	66,044	54,967

* Rounded to nearest 2 decimal point

In 2011, Spritzer Bhd. ("SB") issued 10,564,185 free Warrants to the Company pursuant to SB's Bonus Issue of Warrants. Each Warrant carries the entitlement to subscribe for one (1) new Spritzer share at the exercise price of RM1.18 per share at any time during the exercise period of 5 years expiring on December 13, 2016. Any Warrants not exercised during the exercise period will thereafter lapse and cease to be valid for any purpose.

17. OTHER INVESTMENTS

The Group	2014 RM'000	2013 RM'000
Available-for-sale investments carried at fair value:		
Quoted shares in Malaysia:		
At beginning of year	13	12
Fair value adjustment	-	1
At end of year	13	13

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

18. GOODWILL ON CONSOLIDATION

The Group	2014 RM'000	2013 RM'000
At beginning of year and at end of year	1,612	1,612

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

Carrying amount of goodwill is allocated to the following CGU:

The Group	2014 RM'000	2013 RM'000
Canpac Sdn. Bhd. (manufacturing operations)	1,612	1,612

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on a financial forecast, approved by management, covering a period of five years from financial year 2015 to 2019. The following key assumptions are used to generate the financial forecast:

Growth rate	-0.5% per annum
Discount rate	23.70% per annum

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

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

19. INVENTORIES

The Group	2014 RM'000	2013 RM'000
Finished goods and trading merchandise	40,671	39,709
Raw materials	19,976	20,925
Work-in-progress	5,650	5,950
Factory supplies and consumables	3,460	3,298
Goods-in-transit	33	2,416
Fertilisers	21	57
	69,811	72,355

The cost of inventories recognised as an expense during the year for the Group was RM566,776,431 (2013: RM535,733,887).

Inventories written off recognised as an expense for the Group during the financial year amounted to RM1,517,213 (2013: RM1,390,588).

Inventories written down by the Group during the year amounted to RM50,974 (2013: RM804,538) and inventories written back by the Group during the year amounted to RM1,118,222 (2013: RM602,586).

20. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade receivables	106,668	109,513	-	-
Less: Allowance for doubtful debts	(637)	(687)	-	-
	106,031	108,826	-	-
Amount owing by ultimate holding company (Note 21)	-	400	-	-
Amount owing by a subsidiary company (Note 21)	-	-	17,035	16,755
Amount owing by other related companies (Note 21)	7,763	9,809	-	-
Amount owing by other related parties (Note 21)	1,565	5,294	-	-
Other receivables	9,205	12,308	-	-
Less: Allowance for doubtful debts	(30)	(30)	-	-
	9,175	12,278	-	-
Net	124,534	136,607	17,035	16,755

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

The credit periods granted on sale of goods ranged from cash to 180 days (2013: cash to 120 days) whilst the credit periods for tourism related services rendered ranged from 30 to 90 days (2013: 30 to 90 days). No interest is charged on overdue outstanding balance of trade receivables. An allowance has been made for estimated irrecoverable amounts from the sale of goods and other receivables of the Group amounting to RM633,608 (2013: RM687,396) and RM29,670 (2013: RM29,670) respectively and have been determined by reference to past default experience.

Movement in the allowance for doubtful debts is as follows:

	Trade receivables		Other receivables	
The Group	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Balance at beginning of year	687	614	30	-
Amounts written off during the year as uncollectible	(383)	(78)	-	-
Impairment losses recognised on receivables	457	341	-	30
Impairment losses reversed	(124)	(190)	-	-
	637	687	30	30

20. TRADE AND OTHER RECEIVABLES (CONT'D)

Ageing of impaired trade and other receivables are as follows:

The Group	Trade receivables 2014 RM'000	Trade receivables 2013 RM'000	Other receivables 2014 RM'000	Other receivables 2013 RM'000
Number of days past due:				
Above 90 days	637	687	30	30

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

The Group	Trade receivables 2014 RM'000	Trade receivables 2013 RM'000	Amount owing by other related companies and other related parties 2014 RM'000	Amount owing by other related companies and other related parties 2013 RM'000
Number of days past due:				
1 - 30 days	16,035	14,825	457	544
31 - 60 days	3,549	4,636	398	488
61 - 90 days	809	2,373	76	146
91 - 120 days	266	1,616	66	189
More than 120 days	544	531	6,209	8,598
	21,203	23,981	7,206	9,965

The Group	Amount owing by other related companies 2014 RM'000	Amount owing by other related companies 2013 RM'000	Amount owing by other related parties 2014 RM'000	Amount owing by other related parties 2013 RM'000
Trade account	7,740	9,788	1,565	5,293
Current account	23	21	-	1
	7,763	9,809	1,565	5,294

Trade account comprises amounts receivable for sale of goods. The credit periods granted by the Group for sale of goods range from cash to 120 days (2013: cash to 120 days). No interest was charged on overdue outstanding balances. Current account comprises mainly advances that are unsecured, interest-free and repayable on demand.

The Group does not hold any collateral over these balances which are past due nor does it have a legal right to offset against any amounts owed by the Group to the counterparty.

20. TRADE AND OTHER RECEIVABLES (CONT'D)

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

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

Transactions with related parties are disclosed in Note 21.

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Ringgit Malaysia	115,792	125,223	17,035	16,755
Vietnamese Dong	5,687	7,489	-	-
Australian Dollar	2,084	2,777	-	-
United States Dollar	683	909	-	-
Singapore Dollar	288	209	-	-
	124,534	136,607	17,035	16,755

21. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

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

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

Names of related companies		Relationships
Yew Lee Chiong Tin Factory Sdn. Bhd.	)	
Kasjaria-Kim Huat (M) Sdn. Bhd.	)	Subsidiaries of Yee Lee Organization Bhd..
Practical Advanced Technology Sdn. Bhd.	)	
Cranberry (M) Sdn. Bhd.	)	
Yee Lee Oils & Foodstuffs (Singapore) Pte. Ltd.	)	
Multisafe Sdn. Bhd.	)	
Sri Puteh Development Sdn. Bhd.	)	

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

Related party transactions

Transactions with related companies are as follows:

	The Group		The Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Ultimate holding company				
Interest on advances received	5	140	-	-
Sale of goods	-	1	-	-
Subsidiary companies				
Dividends received (gross)	-	-	4,810	5,280
Purchase of goods	-	-	7	6
Associated company				
Sale of goods	1	1	-	-
Dividends received (gross)	-	-	1,819	1,690
Other related companies				
Yew Lee Chiong Tin Factory Sdn. Bhd.				
Sale of goods	252	6	-	-
Purchase of goods	190	150	-	-
Transportation fees received	-	1	-	-

	The Group		The Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Kasjaria-Kim Huat (M) Sdn. Bhd.				
Rental received	12	12	-	-
Practical Advanced Technology Sdn. Bhd.				
Maintenance of networking, system, training and management services rendered	1,589	1,262	-	-
Disposal of property, plant and equipment	-	32	-	-
Cranberry (M) Sdn. Bhd.				
Purchase of goods	17	12	-	-
Rental on premises received	12	12	-	-
Sale of goods	2	1	-	-

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Yee Lee Oils & Foodstuffs (Singapore) Pte. Ltd.				
Sale of goods	26	37	-	-
Multisafe Sdn. Bhd.				
Sale of goods	621	815	-	-
Sale of steam	299	330	-	-
Professional fees received/receivable	1	-	-	-
Sri Puteh Development Sdn. Bhd.				
Sale of goods	2	1	-	-
Transactions with other related parties being companies in which persons connected with certain directors are directors and/or have substantial interests are as follows:				
Unikampar Credit And Leasing Sdn. Bhd.				
Hire-purchase loans obtained	1,421	1,896	-	-
Interest on hire-purchase loans paid	195	168	-	-
Multibase Systems Sdn. Bhd.				
Secretarial fees paid/payable	38	38	8	8
Sale of goods	1	1	-	-
Uniyelee Insurance Agencies Sdn. Bhd.				
Insurance premium paid/payable	1,380	1,303	2	3
Chuan Sin Cactus Sdn. Bhd.				
Purchase of drinking water for staff	61	56	-	-
Rental received	2	2	-	-
Chuan Sin Sdn. Bhd.				
Purchase of goods	137,436	120,824	-	-
Sale of goods	4,152	4,616	-	-
Professional fees received/receivable	14	13	-	-
Purchase of drinking water for donation	1	-	-	-
Transportation fees received	-	20	-	-

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Golden PET Industries Sdn. Bhd.				
Purchase of goods	13,008	11,703	-	-
Sale of goods	408	347	-	-
Transportation fees received	210	199	-	-
Professional fees received/receivable	5	8	-	-
Rental on premises paid/payable	-	6	-	-
Disposal of property, plant and equipment	-	3	-	-
Angenet Sdn. Bhd.				
Purchase of goods	5,316	5,063	-	-
Professional fees received/receivable	2	2	-	-
Transport Master Sdn. Bhd.				
Contract wages paid/payable	1,332	1,518	-	-
Sale of goods	10	11	-	-
Scenic Cafe Garden Sdn. Bhd. (formerly known as Scenic Ambience Sdn. Bhd.)				
Sale of goods	21	-	-	-
Cactus Marketing Sdn. Bhd.				
Sale of goods	266	143	-	-
Uniyelee Service Agencies Sdn. Bhd.				
Insurance premium paid/payable	870	847	-	-
Sabah Tea Garden Sdn. Bhd.				
Sale of goods	54	30	-	-
Purchase of meal vouchers for staff	5	-	-	-

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Transactions with certain directors of the Group are as follows:				
Mr. Lim Kim Kow				
Disposal of property, plant and equipment	-	60	-	-
Mr. Wong Hung				
Disposal of property, plant and equipment	-	60	-	-

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

The amounts owing by/(to) subsidiary and ultimate holding companies were unsecured, interest-free, repayable on demand and will be settled in cash.

Certain advances granted to ultimate holding company bear interest at a rate of 8.00% (2013: 8.00%) per annum. No guarantees have been given or received. No expense has been recognised in the year for bad or doubtful debts in respect of the amounts owing by related parties.

Compensation of key management personnel

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

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

	The Group	
	2014 RM'000	2013 RM'000
Short-term employee benefits	1,750	1,594
Post-employment benefits - Defined contribution plan	146	126
Equity-settled share-based payments	221	178
	2,117	1,898

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 RM65,113 (2013: RM51,792).

22. OTHER ASSETS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deposits	1,037	3,150	2	2
Prepaid expenses	3,098	2,636	1	-
	4,135	5,786	3	2

23. DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deposits with licensed banks	16,769	9,556	-	-
Cash on hand and at banks	33,177	26,456	31	22
	49,946	36,012	31	22

Fixed deposits amounting to RM10,000 (2013: RM10,000) have been pledged to a licensed bank as security for bank guarantees granted to a subsidiary company.

The effective interest rates for deposits ranged from 2.81% to 3.20% (2013: 2.73% to 7.00%) per annum. The deposits have maturity periods ranging from 6 days to 365 days (2013: 5 days to 365 days).

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Ringgit Malaysia	31,281	21,244	31	22
United States Dollar	7,676	681	-	-
Australian Dollar	6,462	10,196	-	-
Vietnamese Dong	4,525	3,889	-	-
Singapore Dollar	1	1	-	-
European Euro	1	1	-	-
	49,946	36,012	31	22

NOTES TO THE FINANCIAL STATEMENTS

24. SHARE CAPITAL

		The Group and The Company			
	Par value RM	2014 Number of ordinary shares '000	2013 Number of ordinary shares '000	2014 RM'000	2013 RM'000
Authorised:					
At beginning and end of year	0.50	200,000	200,000	100,000	100,000
Issued and fully paid:					
At beginning of year	0.50	178,364	175,586	89,182	87,793
Issuance of shares - exercise of ESOS	0.50	2,283	2,778	1,141	1,389
At end of year	0.50	180,647	178,364	90,323	89,182

The Company increased its issued and paid-up ordinary share capital during the financial year by the issuance of 2,283,000 new ordinary shares of RM0.50 each pursuant to the exercise of Executives' Share Option Scheme of the Company.

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

25. RESERVES

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-distributable reserves:				
Share premium	2,262	790	2,262	790
Property revaluation reserve	53,578	53,578	-	-
Investment revaluation reserve	(7)	(7)	161,021	194,662
Translation reserve	343	(763)	-	-
Capital reserves	3,454	1,704	-	-
Equity-settled employee benefits reserve	2,382	1,515	2,382	1,515
	62,012	56,817	165,665	196,967
Distributable reserve:				
Retained earnings	200,215	177,930	30,310	28,950
	262,227	234,747	195,975	225,917

25. RESERVES (CONT'D)

(a) Share premium

Share premium arose from the following:

	The Group and The Company	
	2014 RM'000	2013 RM'000
Exercise of share options of shares issued at a premium of:		
- 3,323,500 ordinary shares (2013: 2,775,000 ordinary shares) of RM0.50 each at RM0.28 per ordinary share	931	777
- 1,752,000 ordinary shares (2013: 17,500 ordinary shares) of RM0.50 each at RM0.76 per ordinary share	1,331	13
	2,262	790

(b) Property revaluation reserve

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

(c) Investment revaluation reserve

The investment revaluation reserve of the Group and of the Company arise from changes in fair values of investments. When investments are disposed of, the portion of the reserve that relates to the disposed investments is effectively realised, and is transferred directly to statements of profit or loss.

(d) Translation reserve

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

(e) Capital reserves

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

(f) Equity-settled employee benefits reserve

The equity-settled employee benefits reserve relates to share options granted to the directors and executive employees of the Group and of the Company under the Executives' Share Option Scheme as disclosed in Note 32.

(g) Retained earnings

The Company has moved to a single tier tax system upon expiry of the transitional period on December 31, 2013. Any remaining balance in the Section 108 tax credit was disregarded. The entire retained earnings of the Company is available for distributions as single tier tax-exempt dividend to the shareholders of the Company.

26. BORROWINGS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unsecured:				
Bankers' acceptances	75,245	71,314	-	-
Term loans	16,928	8,527	-	-
Revolving credits	14,000	16,000	1,000	1,000
Bank overdrafts	4,625	4,280	-	-
Secured:				
Hire-purchase payables (Note 27)	2,686	2,869	-	-
	113,484	102,990	1,000	1,000
Less: Amount due within 12 months (shown under current liabilities)	(99,622)	(95,863)	(1,000)	(1,000)
Non-current portion	13,862	7,127	-	-

The non-current portion is repayable as follows:

	The Group	
	2014 RM'000	2013 RM'000
Financial years ending December 31:		
2015	-	3,328
2016	4,509	2,243
2017	3,485	1,535
2018	1,906	21
2019 and above	3,962	-
	13,862	7,127

26. BORROWINGS (CONT'D)

The Group has nine (9) term loans:

(a) A ten (10) year term loan of RM2,100,000 (2013: RM2,100,000) which is repayable by 120 equal monthly instalments commencing December, 2007. The term loan has been fully settled during the year;

(b) A ten (10) year term loan of RM4,887,500 (2013: RM4,887,500) which is repayable by 120 equal monthly instalments commencing March, 2010;

(c) A seven (7) year term loan of RM6,200,000 (2013: RM6,200,000) which is repayable by 84 equal monthly instalments after first drawdown. As of December 31, 2014, this term loan has yet to be fully drawndown;

(d) A seven (7) year term loan of RM6,000,000 (2013: RM6,000,000) which is repayable by 84 equal monthly instalments commencing November, 2010;

(e) A seven (7) year term loan of RM4,000,000 (2013: RM4,000,000) which is repayable by 84 equal monthly instalments commencing May, 2010;

(f) A six (6) year term loan of RM6,000,000 (2013: Nil) which is repayable by 72 equal monthly instalments commencing May, 2014;

(g) A five (5) year term loan of RM1,500,000 (2013: RM1,500,000) which is repayable by 60 equal monthly instalments commencing May, 2009. The term loan has been fully settled during the year;

(h) A five (5) year term loan of RM1,000,000 (2013: RM1,000,000) which is repayable by 60 equal monthly instalments commencing November, 2010. The term loan has been fully settled during the year; and

(i) A five (5) year term loan of RM993,000 (2013: RM993,000) which is repayable by 60 equal monthly instalments commencing July, 2012.

The average effective interest rates per annum are as follows:

	The Group		The Company	
	2014 %	2013 %	2014 %	2013 %
Bankers' acceptances	3.79	3.44	-	-
Term loans	5.48	5.45	-	-
Revolving credits	4.49	4.24	4.41	4.10
Bank overdrafts	7.72	7.62	7.57	7.60
Trust receipts	7.10	6.85	-	-

The credit facilities of the subsidiary companies to the extent of RM268,238,000 (2013: RM315,537,000) are guaranteed by the Company.

The credit facilities of the Company of RM2,000,000 (2013: RM2,000,000) are secured by a negative pledge over the assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS

27. HIRE-PURCHASE PAYABLES

The Group	Minimum hire-purchase payments 2014 RM'000	Minimum hire-purchase payments 2013 RM'000	Present value of minimum hire-purchase payments 2014 RM'000	Present value of minimum hire-purchase payments 2013 RM'000
Amounts payable under hire-purchase arrangements:				
Within one year	1,738	1,297	1,644	1,331
In the second to fifth year inclusive	1,150	1,853	1,042	1,538
	2,888	3,150	2,686	2,869
Less: Future finance charges	(202)	(281)	-	-
Present value of hire-purchase payables	2,686	2,869	2,686	2,869
Less: Amount due within 12 months (shown under current liabilities)			(1,644)	(1,331)
Non-current portion			1,042	1,538

The non-current portion is repayable as follows:

	The Group 2014 RM'000	The Group 2013 RM'000
Financial years ending December 31:		
2015	-	962
2016	895	517
2017	126	38
2018	21	21
	1,042	1,538

As of December 31, 2014, hire-purchase obligations of the Group payable to a related party amounted to RM2,768,929 (2013: RM2,721,320).

The terms for hire-purchase ranged from 2 to 5 years (2013: 2 to 5 years). For the financial year ended December 31, 2014, the effective hire-purchase interest rates ranged from 4.57% to 7.60% (2013: 4.57% to 9.38%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

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

28. DEFERRED TAX LIABILITIES

The Group	At beginning of year RM'000	Recognised in statements of profit or loss RM'000	Reclassification RM'000	At end of year RM'000
2014				
Deferred tax liabilities				
Property, plant and equipment	(9,966)	(126)	(1,885)	(11,977)
Property revaluation reserve	(11,698)	342	260	(11,096)
Investment properties	(58)	111	(219)	(166)
	(21,722)	327	(1,844)	(23,239)
Deferred tax assets				
Inventories	287	(267)	-	20
Unabsorbed capital allowances and unutilised tax losses	-	355	1,845	2,200
Allowance for doubtful debts	29	(9)	-	20
	316	79	1,845	2,240

The Group	At beginning of year RM'000	Recognised in statements of profit or loss RM'000	Recognised in property revaluation reserve RM'000	At end of year RM'000
2013				
Deferred tax liabilities				
Property, plant and equipment	(8,992)	(974)	-	(9,966)
Property revaluation reserve	(12,146)	399	49	(11,698)
Investment properties	(60)	2	-	(58)
	(21,198)	(573)	49	(21,722)
Deferred tax assets				
Inventories	237	50	-	287
Unabsorbed capital allowances and unutilised tax losses	563	(563)	-	-
Allowance for doubtful debts	48	(19)	-	29
Unrealised loss on foreign exchange	29	(29)	-	-
	877	(561)	-	316

28. DEFERRED TAX LIABILITIES (CONT'D)

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

The Group	2014 RM'000	2013 RM'000
Net deferred tax liabilities	(20,999)	(21,406)

Unrecognised deferred tax assets

The Group	2014 RM'000	2013 RM'000
Deferred tax assets not recognised at the reporting period:		
Unutilised tax losses and unabsorbed agricultural and tax capital allowances	10,416	19,229

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

29. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade payables	35,883	37,487	-	-
Amount owing to ultimate holding company (Note 21)	12	64	-	-
Amount owing to subsidiary companies (Note 21)	-	-	8,716	8,248
Amount owing to other related companies (Note 21)	179	127	-	-
Amount owing to other related parties (Note 21)	30,729	43,905	-	-
Other payables	13,160	11,996	12	12
	79,963	93,579	8,728	8,260

29. TRADE AND OTHER PAYABLES (CONT'D)

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Ringgit Malaysia	77,500	91,023	8,728	8,260
Vietnamese Dong	1,660	1,340	-	-
United States Dollar	691	1,093	-	-
Singapore Dollar	92	123	-	-
Thai Baht	20	-	-	-
	79,963	93,579	8,728	8,260

	Amount owing to other related parties	
The Group	2014 RM'000	2013 RM'000
Trade account	30,704	43,863
Current account	25	42
	30,729	43,905

Trade payables and trade account owing to other related companies and other related parties comprise amounts outstanding for trade purchases. The credit periods granted to the Group for trade purchases ranged from 30 to 120 days (2013: 30 to 120 days). No interest is charged on overdue outstanding balances of trade payables. Current account comprises amount outstanding for ongoing cost that are unsecured, interest-free and repayable on demand.

Other payables comprise amounts outstanding for ongoing costs. The amounts owing to other payables of the Group and of the Company are unsecured, interest-free and repayable on demand.

Transactions with related parties are disclosed in Note 21.

30. OTHER LIABILITIES

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deposits received	605	567	-	-
Accrued expenses	20,440	18,148	199	199
	21,045	18,715	199	199

31. DIVIDEND

	The Group and The Company	
	2014	2013
First and final dividend paid:		
- 3.0 sen per share, single tier for 2013 (2013: Nil)	5,405	-
- Nil (2013: 2.0 sen per share, less tax for 2012)	-	2,665
- Nil (2013: 0.5 sen per share, tax-exempt for 2012)	-	889
	5,405	3,554

A first and final dividend of 3.0 sen per share, under the single tier system, proposed in respect of ordinary shares in the previous financial year and dealt with in the previous directors' report was paid by the Company during the financial year.

The directors proposed a first and final dividend of 3.0 sen per share, under the single tier system, 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.

32. SHARE-BASED PAYMENTS

Under the Company's Executives' Share Option Scheme ("ESOS"), which has been approved at an Extraordinary General Meeting held on June 27, 2012, options to subscribe for new ordinary shares ("Yee Lee Shares") of RM0.50 each in the Company were granted to eligible executive employees, Executive Directors and Non-Executive Directors ("Eligible Executives") of the Company and its subsidiaries, which are not dormant. The ESOS is administered by the ESOS Committee and governed by a set of by-laws.

The implementation of the ESOS primarily serves to align the interests of the Eligible Executives to the corporate goals of Yee Lee Group. The ESOS will provide the Eligible Executives with an opportunity to have equity participation in the Company and help to achieve the positive objectives as set out below:

(i) To recognise the contribution of the Eligible Executives whose services are valued and considered vital to the operations and continued growth of the Group;

(ii) To motivate the Eligible Executives towards improved performance through greater productivity and loyalty;

(iii) To inculcate a greater sense of belonging and dedication as the Eligible Executives are given the opportunity to participate directly in the equity of the Company;

(iv) To retain the Eligible Executives, hence ensuring that the loss of key personnel is kept to a minimum level; and

(v) To reward the Eligible Executives by allowing them to participate in the Group's profitability and eventually realise any capital gains arising from appreciation in the value of the Company's shares.

The Board of Directors is of the view that the Non-Executive Directors play a constructive role in contributing towards the growth and performance of the Group. Therefore, in recognition of their contribution to the Group, the ESOS is also extended to the Non-Executive Directors to allow them to participate in the equity of the Company as an incentive as they discharge important functions in providing strategic direction and guidance for the Group, and their experience, services and contributions are valued by the Group.

32. SHARE-BASED PAYMENTS (CONT'D)

The salient features of the ESOS are as follows:

1. Maximum number of Yee Lee Shares available under the ESOS

The total number of new Yee Lee Shares, which may be allotted pursuant to the ESOS shall not exceed in aggregate 10% of the total issued and paid-up share capital of the Company at any point in time during the existence of the ESOS.

2. Basis of allotment and maximum allowable allotment

The maximum number of new Yee Lee Shares that may be offered to an Eligible Executive shall be determined at the discretion of the ESOS Committee after taking into consideration, amongst others and where relevant, the performance, contribution, employment grade, seniority and length of service of the Eligible Executive, subject to the following:

a. The Directors and senior management do not participate in the deliberation or discussion of their own allocation;

b. The allocation to an Eligible Executive, who either singly or collectively, through persons connected to the Eligible Executive, holds 20% or more of the issued and paid-up share capital of the Company, must not exceed 10% of the new Yee Lee Shares available under the ESOS; and

c. Not more than 55% of the new Yee Lee Shares available under the ESOS shall be allocated in aggregate to the Directors and senior management of the Company and its subsidiaries, which are not dormant.

3. Eligibility

Only executive employees, Executive Directors and Non-Executive Directors of the Company and its subsidiaries, which are not dormant, who meet the following conditions as at the date of offer are eligible to participate in the ESOS:

a. Executive employees

i. be at least 18 years of age;
ii. confirmed in service in the Company and/or its subsidiaries, which are not dormant;
iii. is employed for a continuous period of at least one (1) year in the Company and/or its subsidiaries, which are not dormant; and
iv. be under such categories of employees that are classified as executives by the Company and complies with such criteria that the ESOS Committee may decide at its absolute discretion from time to time.

b. Executive Director and Non-Executive Director

An Executive Director or Non-Executive Director who has held office for at least one (1) year in the Company and/or its subsidiaries, which are not dormant, and who is not prohibited or disallowed by the relevant authorities from participating in the ESOS.

The entitlement of directors of the Company under the ESOS must be approved by shareholders of the Company in a general meeting.

The selection of any Eligible Executive to participate in the ESOS shall be at the absolute discretion of the ESOS Committee and the decision of the ESOS Committee shall be binding and final.

Save for the aforesaid eligibility conditions and in accordance with the by-laws, an Eligible Executive is not subject to any other conditions and/or performance targets to be eligible for participation in the ESOS.

32. SHARE-BASED PAYMENTS (CONT'D)

4. Duration

The ESOS shall be in force for a period of five (5) years commencing August 17, 2012 and will expire on August 16, 2017.

Options not exercised upon expiry of the ESOS on August 16, 2017 shall become null and void.

5. Basis of determining the Subscription Price

Subject to any adjustments made under the by-laws and pursuant to the Listing Requirements, the subscription price shall be the higher of:

a. The five (5)-day weighted average market price ("WAMP") of Yee Lee Shares immediately preceding the date on which an offer is made by the ESOS Committee in writing ("Date of Offer"), with a discount of not more than 10% at the ESOS Committee's discretion; or

b. The par value of Yee Lee Shares.

6. Amendments and/or modifications

Subject to the compliance with the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the ESOS Committee may, at any time and from time to time, recommend to the Board of Directors any additions and amendments to or deletions of the by-laws as it shall in its discretion think fit and the Board of Directors shall have the power by resolution to add to, amend or delete all of any of the by-laws upon such recommendation provided that no additions or amendments to or deletion of the by-laws shall be made which will:

a. Prejudice any rights of the shareholders of the Company without the prior approval of the shareholders of the Company in a general meeting; or

b. Alter to the advantage of any Eligible Executive in respect of any matters which are required to be contained in the by-laws (or any amendments subsequent thereto) by virtue of the Listing Requirements, without the prior approval of the shareholders of the Company in a general meeting unless otherwise allowed by the provisions of the Listing Requirements.

Where any amendments and/or modifications are made to the by-laws, the Company shall submit to Bursa Securities, the amendments and/or modifications to the by-laws and a confirmation letter that the amendments and/or modifications complies with the provisions of the guidelines on ESOS stipulated under the Listing Requirements no later than five (5) Market Days from the effective date of the said amendments and/or modifications.

7. Alteration of share capital

In the event of any alteration in the capital structure of the Company during the ESOS option period, whether by way of capitalisation of profits or reserves, rights issue, bonus issue, reduction of capital, subdivision or consolidation of Yee Lee Shares, or otherwise howsoever arising, corresponding adjustments, if any, shall be made either in the number of new Yee Lee Shares comprised in the ESOS option not exercised and/or the subscription price in such manner as the ESOS Committee may decide provided that:

a. The adjustment other than arising from a bonus issue must be confirmed in writing by the external auditors for the time being of the Company to be in their opinion (acting as experts and not as arbitrators) fair and reasonable; and

32. SHARE-BASED PAYMENTS (CONT'D)

7. Alteration of share capital (Cont'd)

   b. No adjustment to the subscription price shall be made which would result in the new Yee Lee Shares being issued at a discount to the par value of Yee Lee Shares and if such an adjustment would but for this provision have so resulted, the subscription price payable for such new Yee Lee Shares shall be the par value of Yee Lee Shares.

   The aforesaid adjustments shall be made in accordance with the formulas as set out in First Schedule attached to the by-laws and on the day immediately following the books closure date for the event giving rise to the adjustments.

8. Ranking of the ESOS option and new Yee Lee Shares arising from the exercise of the ESOS option

   The Grantees will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in the Company until and unless such Grantees exercise their ESOS option into new Yee Lee Shares.

   The new Yee Lee Shares arising from the exercise of the ESOS option shall, upon allotment and issuance, rank pari passu in all respects with the then existing issued and paid-up ordinary shares of the Company, except that the new Yee Lee Shares will not be entitled to any dividends, rights, allotment and/or other form of distribution that may be declared, made or paid to shareholders, for which the entitlement date for the distribution precedes the date of which the new Yee Lee Shares are credited into the Central Depository System account with Bursa Malaysia Depository Sdn. Bhd. of the Grantees. The new Yee Lee Shares will be subject to all provisions of the Memorandum and Articles of Association of the Company and such amendments thereafter, if any.

9. Holding of the ESOS option and new Yee Lee Shares

   Pursuant to the Listing Requirements, an eligible Director who is a Non-Executive Director shall not sell, transfer and/or assign the new Yee Lee Shares obtained through the exercise of the ESOS option offered to him/her within one (1) year from the Date of Offer.

   Save for the Non-Executive Directors, the new Yee Lee Shares allotted and issued to the Grantees pursuant to the exercise of the ESOS option will not be subject to any holding period or restriction on transfer, disposal and/or assignment.

32. SHARE-BASED PAYMENTS (CONT'D)

10. Listing of and quotation for the new Yee Lee Shares

The approval has been obtained from Bursa Malaysia Securities Berhad vide its letter dated May 29, 2012 for the listing of and quotation for the new Yee Lee Shares to be issued arising from the exercise of the ESOS option on the Main Market of Bursa Securities.

Details of the share options granted, exercised and lapsed during the financial year are as follows:

				No. of options over ordinary shares of RM0.50 each				
Date of grant	Expiry date	Exercise price per ordinary share RM	Fair value at grant date RM	Balance as of 1.1.2014 '000 units	Granted '000 units	Lapsed '000 units	Exercised '000 units	Balance as of 31.12.2014 '000 units
17.8.2012	16.8.2017	0.78	0.1921	947	-	(45)	(549)	353
19.8.2013	16.8.2017	1.26	0.3289	4,052	-	(93)	(1,734)	2,225
18.8.2014	16.8.2017	1.58	0.3699	-	4,294	(17)	-	4,277
				4,999	4,294	(155)	(2,283)	6,855

All the share options vested on the date of grant.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the list of option holders, who have been granted options under the ESOS for less than 70,000 ordinary shares each.

Other than the Executive Directors and Non-Executive Directors whose interests are disclosed separately in Directors' Interest, Eligible Executives who have been granted options during the current financial year under the ESOS for and in excess of 70,000 ordinary shares of RM0.50 each are as follows:

	Number of options over ordinary shares of RM0.50 each
Mr. Seow Soon Hoo	85,000
Mr. Lee Kon Cheng	82,500
Mr. Lim Kim Kow	82,500
Mr. Wong Hung	75,000
Y. Bhg. Datin Chua Shok Tim @ Chua Siok Hoon	75,000
Ms. Ooi Guat Ee	70,000
Mr. Yap Sin Kheong	70,000

The fair value of the options was determined using the "Black-Scholes" model based on the closing market price at offer date, exercise price and option life as mentioned above, expected volatility based on its historical volatility for the past three years, expected dividend yield based on dividend declared in year 2012 and 2013, risk-free rate at grant date and historical employee exercise behaviour.

33. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

Categories of financial instruments

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Financial assets				
Loans and receivables:				
Trade and other receivables	124,534	136,607	17,035	16,755
Refundable deposits	399	589	2	2
Cash and cash equivalents - fixed deposits, cash and bank balances	49,946	36,012	31	22
Available-for-sale:				
Investments in subsidiary companies	-	-	245,254	277,421
Other investments	13	13	-	-
Financial liabilities				
Other financial liabilities:				
Trade and other payables	79,963	93,579	8,728	8,260
Borrowings	113,484	102,990	1,000	1,000
Accrued expenses	20,440	18,148	199	199

Financial Risk Management Objectives and Policies

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

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

(a) Market risk

(i) Foreign currency risk

The Group transacts business in various foreign currencies including United States Dollar ("USD"), Australian Dollar ("AUD"), Singapore Dollar ("SGD"), European Euro ("EUR"), Thai Baht ("THB") and Vietnamese Dong ("VND") and therefore, is exposed to foreign exchange risk. The Group enters into foreign currency forward contracts to manage its exposure against foreign currency fluctuations on foreign receipts and payments. The Company is not exposed to foreign currency risk as it mainly transacts in RM.

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

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

(a) Market risk (Cont'd)

(i) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis

The Group is mainly exposed to fluctuation in exchange rates for the currencies of USD, AUD and VND. The management considers the impact of other currencies to be minimal.

The following table details the sensitivity of the Group to a 2% (2013: 1%) increase and decrease in RM against the relevant foreign currencies. The sensitivity rate of 2% (2013: 1%) is used when reporting foreign currency risk internally to key management and represents management's assessment of the reasonably possible change in foreign exchange rates in the next 12 months.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 2% (2013: 1%) change in foreign currency rates. A positive number below indicates an increase in profit after tax where RM weakens by 2% (2013: 1%) against the respective currencies. For a 2% (2013: 1%) strengthening of RM against the respective currencies, there would be a decrease in the profit after tax, and the balances below would be negative.

	Statements of profit or loss		Other equity	
The Group	**2014 RM'000**	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
USD impact	141	4	-	-
AUD impact	158	97	-	-
VND impact	-	-	158	75

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

(ii) Equity price risk

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

Equity price sensitivity analysis

Quoted equity investments

Management does not consider the Group's exposure to price risk significant at the end of the reporting period due to the immaterial value of other investments held as shown in Note 17. Therefore, sensitivity analysis for price risk of quoted investments is not disclosed.

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

(a) Market risk (Cont'd)

(ii) Equity price risk (Cont'd)

Unquoted equity investments

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

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

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

	2014 RM'000	**2013 RM'000**
Increase in growth rate by 0.50% (2013: 1.00%)	18,295	39,800
Decrease in growth rate by 0.50% (2013: 1.00%)	(15,577)	(30,342)
Decrease in discount rate by 1.50% (2013: 3.00%)	87,373	238,298
Increase in discount rate by 1.50% (2013: 3.00%)	(55,362)	(99,392)

In the above scenarios, the Company's net profit for the year ended December 31, 2014 would have been unaffected as the equity investments are classified as available-for-sale financial assets.

(iii) Interest rate risk

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

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

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

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates increase/decrease in the range of 13 to 26 basis points (2013: 2 to 24 basis points), with all other variables held constant, the Group's and the Company's profit net of tax would have been RM169,431 and RM2,325 (2013: RM92,342 and RM1,125) respectively lower/higher arising mainly as a result of higher/lower interest expense on floating rate borrowings. The assumed movement in the interest rates for interest rate sensitivity analysis is based on the currently observable market environment.

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

(b) Credit risk

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

Receivables

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

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

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

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

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

Amount Due From Related Companies and Other Related Parties

The Group undertook trade transactions with other related companies and other related parties and credit periods ranging from 30 to 120 days were set. The Company provided unsecured advances to subsidiaries and there are no fixed repayment terms imposed on amount due from subsidiaries as the credit risk is managed on a Group basis by the management of the Company to ensure that risk of losses incurred by the Company due to non-repayment by subsidiaries is minimised.

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

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

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

(b) Credit risk (Cont'd)

Financial Guarantee

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

The maximum exposure to credit risk amounts to RM305,752,000 (2013: RM316,259,000) representing the limit of credit and hire-purchase facilities of the subsidiary companies as of the end of the reporting period.

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

Other Financial Assets

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

(c) Liquidity and cash flow risks

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

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

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

The Group and the Company have credit facilities of approximately RM170,631,000 and RM1,000,000 (2013: RM215,416,000 and RM1,000,000) respectively which are unused at the end of the reporting period. The Group and the Company expect to meet their financial obligations from their operating cash flows and proceeds from maturing financial assets.

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

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

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

The Group 2014	**On demand or within one year RM'000**	**One year to five years RM'000**	**Over five years RM'000**	**Total RM'000**
Non-derivative financial assets:				
Trade and other receivables	124,379	-	-	124,379
Refundable deposits	399	-	-	399
Deposits, cash and bank balances	50,428	-	-	50,428
Total undiscounted non-derivative financial assets	175,206	-	-	175,206
Non-derivative financial liabilities:				
Trade and other payables	79,231	-	-	79,231
Borrowings	100,536	14,782	904	116,222
Accrued expenses	20,419	-	-	20,419
Total undiscounted non-derivative financial liabilities	200,186	14,782	904	215,872
Total net undiscounted non-derivative financial liabilities	(24,980)	(14,782)	(904)	(40,666)

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

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

The Group 2013	**On demand or within one year RM'000**	**One year to five years RM'000**	**Over five years RM'000**	**Total RM'000**
Non-derivative financial assets:				
Trade and other receivables	136,607	-	-	136,607
Refundable deposits	589	-	-	589
Deposits, cash and bank balances	36,211	-	-	36,211
Total undiscounted non-derivative financial assets	173,407	-	-	173,407
Non-derivative financial liabilities:				
Trade and other payables	93,579	-	-	93,579
Borrowings	96,275	7,975	-	104,250
Accrued expenses	18,148	-	-	18,148
Total undiscounted non-derivative financial liabilities	208,002	7,975	-	215,977
Total net undiscounted non-derivative financial liabilities	(34,595)	(7,975)	-	(42,570)

NOTES TO THE FINANCIAL STATEMENTS

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

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

The Company 2014	**On demand or within one year RM'000**	**One year to five years RM'000**	**Over five years RM'000**	**Total RM'000**
Non-derivative financial assets:				
Trade and other receivables	17,035	-	-	17,035
Refundable deposits	2	-	-	2
Cash and bank balances	31	-	-	31
Total undiscounted non-derivative financial assets	17,068	-	-	17,068
Non-derivative financial liabilities:				
Trade and other payables	8,728	-	-	8,728
Borrowings	1,000	-	-	1,000
Accrued expenses	199	-	-	199
Total undiscounted non-derivative financial liabilities	9,927	-	-	9,927
Total net undiscounted non-derivative financial assets	7,141	-	-	7,141

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

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

The Company 2013	**On demand or within one year RM'000**	**One year to five years RM'000**	**Over five years RM'000**	**Total RM'000**
Non-derivative financial assets:				
Trade and other receivables	16,755	-	-	16,755
Refundable deposits	2	-	-	2
Cash and bank balances	22	-	-	22
Total undiscounted non-derivative financial assets	16,779	-	-	16,779
Non-derivative financial liabilities:				
Trade and other payables	8,260	-	-	8,260
Borrowings	1,000	-	-	1,000
Accrued expenses	199	-	-	199
Total undiscounted non-derivative financial liabilities	9,459	-	-	9,459
Total net undiscounted non-derivative financial assets	7,320	-	-	7,320

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

(d) Capital risk management

The Group and the Company manage their capital to ensure the Group and the Company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remains unchanged from 2013.

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

Fair Values of Financial Instruments

Foreign exchange forward contracts

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

	Foreign currency		Notional value		Fair value	
	2014 '000	2013 '000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Outstanding contracts						
Sell USD	200	124	575	398	2	8

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

Financial instruments carried at amortised cost

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

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

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

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

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

Fair value measurements recognised in the statement of financial position

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

The Group	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
2014				
Other investments	13	-	-	13
2013				
Other investments	13	-	-	13

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

The Company	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
2014				
Investments in subsidiary companies	-	-	245,254	245,254
2013				
Investments in subsidiary companies	-	-	277,421	277,421

Reconciliation of Level 3 fair value measurements of financial assets

	Available-for-sale financial assets Investments in subsidiary companies	
The Company	**2014 RM'000**	**2013 RM'000**
At beginning of year	277,421	249,345
Additions arising from shares options granted	1,474	1,254
Total (loss)/gain recognised in other comprehensive income	(33,641)	26,822
At end of year	245,254	277,421

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

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

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

34. STATEMENTS OF CASH FLOWS

(a) Purchase of property, plant and equipment

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

	The Group	
	2014 RM'000	**2013 RM'000**
Cash purchase	24,785	13,904
Amount included in prior year:		
Prepaid expenses	2,101	-
Deposit paid	251	5,277
Hire-purchase financing	1,421	1,991
Depreciation of property, plant and equipment capitalised	72	216
Outstanding included in other payable	253	129
Finance costs capitalised	1	12
	28,884	21,529

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

34. STATEMENTS OF CASH FLOWS (CONT'D)

(b) Cash and cash equivalents

Cash and cash equivalents at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the statements of financial position as follows:

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deposits	16,769	9,556	-	-
Cash and bank balances	33,177	26,456	31	22
Bank overdrafts	(4,625)	(4,280)	-	-
	45,321	31,732	31	22
Less: Fixed deposits pledged to a licensed bank	(10)	(10)	-	-
	45,311	31,722	31	22

35. COMMITMENTS

As of December 31, 2014, the Group has the following commitments in respect of property, plant and equipment:

	The Group	
	2014 RM'000	2013 RM'000
Capital expenditure:		
Approved and contracted for	899	13,465
Approved and not contracted for	937	-
	1,836	13,465

36. OPERATING LEASE ARRANGEMENTS

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

	The Group	
	2014 RM'000	2013 RM'000
Within one year	63	575
In the second to fifth year	2	98
	65	673

Operating lease payments represent rentals payable by the Group for leasehold land, photostat machine, warehouse and hostels. Leases are negotiated for terms which range from one to ten years (2013: one to ten years) with an option to renew the lease after that date.

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

The breakdown of the retained earnings of the Group and of the Company as of December 31, 2014 into realised and unrealised profits or losses, pursuant to the directive issued by Bursa Malaysia Securities Berhad on March 25, 2010, is as follows:

	The Group		The Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Total retained earnings of the Company and its subsidiary companies				
Realised	181,165	163,173	30,310	28,950
Unrealised	(10,480)	(9,650)	-	-
Total share of retained earnings from associated company				
Realised	27,180	21,422	-	-
	197,865	174,945	30,310	28,950
Add: Consolidation adjustments	2,350	2,985	-	-
Total retained earnings as per statements of financial position	200,215	177,930	30,310	28,950

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

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

STATEMENT BY DIRECTORS

The directors of **YEE LEE CORPORATION BHD.** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of December 31, 2014 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

The supplementary information set out in Note 37, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1 “Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements” as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the Directors,

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

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

Ipoh,
March 12, 2015

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **MR. YAP SIN KHEONG**, the officer primarily responsible for the financial management of **YEE LEE CORPORATION BHD.**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

MR. YAP SIN KHEONG

Subscribed and solemnly declared by the abovenamed
MR. YAP SIN KHEONG at **IPOH** this 12th day of March, 2015.

Before me,

LAM YING WOH
NO:A209
COMMISSIONER FOR OATHS

ANALYSIS OF SHAREHOLDINGS
AS AT APRIL 30, 2015

SHARE CAPITAL

Authorised Share Capital	:	RM100,000,000.00
Issued and Paid-Up Share Capital	:	RM91,222,525.00
Class of Shares	:	Ordinary shares of RM0.50 each
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders		Number of Issued Shares	
	Number	%	Number	%
Less than 100 shares	122	4.03	6,599	0.00
100 to 1,000 shares	364	12.02	229,979	0.13
1,001 to 10,000 shares	1,699	56.09	8,806,664	4.83
10,001 to 100,000 shares	717	23.67	22,129,477	12.13
100,001 to less than 5% of issued shares	126	4.16	59,476,479	32.60
5% and above of issued shares	1	0.03	91,795,852	50.31
Total	**3,029**	**100.00**	**182,445,050**	**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**")	97,312,682	53.34	-	-
2.	Dato' Lim A Heng @ Lim Kok Cheong	5,037,352	2.76	99,635,967 [a]	54.61
3.	Datin Chua Shok Tim @ Chua Siok Hoon	1,334,369	0.73	103,325,584 [b]	56.63
4.	Unikampar Credit And Leasing Sdn Bhd ("**UCL**")	20,350	0.01	97,312,682 [c]	53.34
5.	Uniyelee Sdn Bhd ("**UYL**")	81,762	0.05	97,336,677 [d]	53.35
6.	Yeleta Holdings Sdn Bhd ("**YH**")	51,243	0.03	97,438,789 [e]	53.41
7.	Young Wei Holdings Sdn Bhd ("**YW**")	12,715	0.01	97,490,032 [f]	53.44

Notes:-

[a] Deemed interest by virtue of his shareholdings in YW and Unipon Enterprise Sdn Bhd ("**UP**"), and the shares held by his spouse and children 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 and children 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 Uniyelee Insurance Agencies Sdn Bhd and YLO pursuant to Section 6A of the Act.

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

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

ANALYSIS OF SHAREHOLDINGS

AS AT APRIL 30, 2015

DIRECTORS' SHAREHOLDINGS IN THE COMPANY AND ITS RELATED CORPORATION

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

Shares in the Company

	Name of Directors	Direct Interest		Deemed Interest	
		Number of Issued Shares	% of Issued Shares	Number of Issued Shares	% of Issued Shares
1.	Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff	3,050,000	1.67	303,500 [a]	0.17
2.	Dato' Lim A Heng @ Lim Kok Cheong	5,037,352	2.76	99,635,967 [b]	54.61
3.	Thang Lai Sung	133,398	0.07	-	-
4.	Chok Hooa @ Chok Yin Fatt	320,032	0.18	-	-
5.	Lim Ee Young	771,356	0.42	14,000 [c]	0.01
6.	Dato' Mohd Adhan bin Kechik	136,664	0.08	-	-
7.	Lee Kee Hong	115,312	0.06	-	-
8.	Sow Yeng Chong	11,000	0.01	1,808 [c]	**

Notes:-

a Deemed interest by virtue of the shares held by his spouse and children in the Company pursuant to Section 6A of the Act.
b Deemed interest by virtue of his shareholdings in YW and UP, and the shares held by his spouse and children in the Company pursuant to Section 6A of the Act.
c Deemed interest by virtue of the shares held by his spouse in the Company pursuant to Section 6A of the Act.
** Negligible

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	8,095,366 [a]	73.59
2.	Thang Lai Sung	1,716	0.02	-	-
3.	Lim Ee Young	41,544	0.38	-	-
4.	Lee Kee Hong	19,800	0.18	-	-

a Deemed interest by virtue of his shareholding in YW and UP, and the shares held by his spouse and children 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 30, 2015

TOP THIRTY SECURITIES ACCOUNT HOLDERS

	Shareholders	Number of Issued Shares	% of Issued Shares
1.	Yee Lee Organization Bhd	91,795,852	50.31
2.	Yee Lee Organization Bhd	5,516,830	3.02
3.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Brahmal A/L Vasudevan	5,105,000	2.80
4.	Lim A Heng @ Lim Kok Cheong	5,037,352	2.76
5.	AmanahRaya Trustees Berhad Public Strategic Smallcap Fund	4,501,600	2.47
6.	Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff	3,050,000	1.67
7.	Nik Mohamad Pena bin Nik Mustapha	1,570,000	0.86
8.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (PHEIM)	1,567,700	0.86
9.	Jailani Bin Abdullah	1,433,264	0.79
10.	Chua Shok Tim @ Chua Siok Hoon	1,334,369	0.73
11.	Lai Ka Chee	1,275,232	0.70
12.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Insurance Berhad (Growth Fund)	900,000	0.50
13.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd	895,232	0.49
14.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Takaful Berhad (Family PIF EQ)	808,000	0.44
15.	Lim Ee Young	771,356	0.42
16.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Insurance Berhad (Dana Ekt Prima)	750,000	0.41
17.	AmanahRaya Trustees Berhad Public Mutual PRS Moderate Fund	740,000	0.41
18.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Takaful Berhad (Group PRF EQ)	729,500	0.40
19.	Citigroup Nominees (Asing) Sdn Bhd CILTD for Pheim SICAV-SIF	609,500	0.33
20.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Takaful Berhad (Annuity PIF EQ)	607,000	0.33
21.	RHB Nominees (Asing) Sdn Bhd RHB Securities Singapore Pte Ltd for Teo Hong Chuan	560,000	0.31
22.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Wong Thean Soon	500,000	0.27
23.	Lim Peng Jin	500,000	0.27
24.	Tan Eng Guan	500,000	0.27
25.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Insurance Berhad (Life Annuity FD)	460,000	0.26
26.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ronie Tan Choo Seng	450,000	0.25
27.	HSBC Nominees (Asing) Sdn Bhd Exempt An for Bank Julius Baer & Co Ltd	418,100	0.23
28.	Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tntt Realty Sdn Bhd	413,300	0.23
29.	Teo Hong Beng	385,000	0.21
30.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Takaful Berhad (Group PIF EQ)	380,000	0.21
	Total	**133,564,187**	**73.21**

TOP 10 PROPERTIES OF THE GROUP
AS AT DECEMBER 31, 2014

Location	Tenure	Current Use	Approximate Age of Building (Year)	Land/ Gross Floor Area (sq.metres)	Date of Acquisition/ Last Revaluation	Carrying Amounts RM'000
PT No 31095, HS(D) 24203 Mukim of Batu, District of Gombak, Selangor Darul Ehsan	Freehold	3-storey office and warehouse	14	14,729/ 12,274	31.12.2009	28,910
Provisional Lease No. 066290168, Kg Nalapak, District of Ranau, Sabah	Leasehold expiring on 31.12.2080	Plantation, office, factory, warehouse and labour housing	33	8,314,820/ 13,492	31.12.2009	18,767
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	39	34,368/ 18,967	31.12.2009	17,430
Provisional Lease No. 066290168, Kg Nalapak, District of Ranau, Sabah	Leasehold expiring on 31.12.2080	Vacant agriculture land	-	13,003,967	31.12.2009	15,803
Lot Nos. 9399, and 10169, Mukim of Bidor, District of Batang, Batang Padang, Perak Darul Ridzuan	Leasehold expiring on 30.06.2046 and 05.07.2048 respectively	2-storey palm oil mill, office and factory warehouse	30	150,625/ 11,637	31.12.2009	14,733
HS(M) 3292 - Lot PTD102569, Mukim Senai, Daerah Kulai Jaya, Johor Darul Takzim	Freehold	One storey warehouse and office	1	25,353/ 4,604	30.06.2010#	12,729
Lot 91 Rawang Integrated Industrial Park Mukim of Rawang District of Gombak Selangor Darul Ehsan	Freehold	2-storey office, factory and warehouse	-	8,710	01.03.2014#	11,694
# 09, Street No.15 VSIP II-A, Vietnam-Singapore Industrial Park II-A Tan Uyen Town, Binh Duong province.	Leasehold expiring on 19.03.2058	2 - storey office, factory and warehouse	-	30,000/ 6,000	05.04.2011#	10,310
Lot Nos. 15917-15918, 46292, 46300-46301, 46303-46315, 20276 & 20338, Mukim of Kampar Lot Nos. 20339 & 20340, Mukim of Teja, District of Kinta Perak Darul Ridzuan	Freehold	Oil palm estate	-	1,984,093	31.12.2009	9,240
Lot No. 119 Rawang Integrated Industrial Park Mukim of Rawang District of Gombak Selangor Darul Ehsan	Freehold	2-storey office, factory and warehouse	18	10,866/ 7,441	31.12.2009	8,812

Date of acquisition

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

No. of shares held	
CDS Account No.	

FORM OF PROXY

I/We, ____
(Full name in block letters)

NRIC/Passport/Company No. ______________________ of ______________________

____
(Address)

being a member of **YEE LEE CORPORATION BHD**, hereby appoint ______________________
(Full name in block letters)

NRIC/Passport/Company No. ______________________ of ______________________

____
(Address)

or failing whom, ______________________ NRIC/Passport/Company No. ______________________
(Full name in block letters)

of ____
(Address)

as my/our proxy to vote for me/us and on my/our behalf at the Forty-Second Annual General Meeting of the Company to be held on Thursday, June 25, 2015 at 11.00 a.m. at Ballroom 3, Lobby Level, Impiana Hotel Ipoh, No. 18, Jalan Sultan Nazrin Shah, 30250 Ipoh, Perak Darul Ridzuan and at any adjournment thereof for/against* the resolutions to be proposed thereat.

RESOLUTION NO.	DESCRIPTIONS	FOR	AGAINST
	ORDINARY BUSINESS		
1.	To declare a first and final dividend		
2.	To approve the payment of Directors' fees		
3.	To re-elect Dato' Mohd Adhan bin Kechik as Director		
4.	To re-elect Lim Ee Young as Director		
5.	To re-appoint Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff as Director		
6.	To re-appoint Dato' Lim A Heng @ Lim Kok Cheong as Director		
7.	To re-appoint Thang Lai Sung as Director		
8.	To re-appoint Messrs. Deloitte as Auditors of the Company and to authorise the Directors to fix their remuneration		
	SPECIAL BUSINESS		
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.	Continuing in Office for Dato' Mohd Adhan bin Kechik as an Independent Non-Executive Director		
12.	Continuing in Office for Dato' (Dr.) Haji Mohamed Ishak bin Haji Mohamed Ariff as an Independent Non-Executive Director		
13.	Continuing in Office for Lee Kee Hong as an Independent Non-Executive Director		

Dated this ______________ day of ______________ 2015.

____
Signatures/Common Seal of Members

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

Notes:-

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

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

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

(iv) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it hold.

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

(vi) Only a depositor whose name appears on the Record of Depositors as at June 18, 2015 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his behalf.

Fold this flap for sealing

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STAMP

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

2nd Fold here

YEE LEE CORPORATION BHD (13585-A)

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

Tel : 605 2911 055
Fax : 605 2919 962

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