



Annual Report 2000

YEE LEE CORPORATION BHD (13585-A)

義利有限公司

(INCORPORATED IN MALAYSIA)

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Eighth Annual General Meeting of the Company will be held at Garlet 3, Casuarina Parkroyal Hotel, 18 Jalan Gopeng, 30250 Ipoh, Perak Darul Ridzuan on Wednesday, June 27, 2001 at 11.00 a.m. for the transaction of the following business:

1. To receive and adopt the Audited Accounts for the year ended December 31, 2000 together with the Directors' and Auditors' Reports thereon. Resolution 1
2. To sanction the declaration of a first and final dividend of 7% less tax. Resolution 2
3. To approve the payment of Directors' Fees of RM50,000. Resolution 3
4. To re-elect the following directors who retire pursuant to Article 80 of the Company's Articles of Association:
 - a) Mr. Thang Lai Sung Resolution 4
 - b) Mr. Chua Chee Seng, KMN, PPN Resolution 5
5. To re-appoint Messrs. Deloitte KassimChan (formerly known as Kassim Chan & Co.) as Auditors and to authorise the Directors to fix their remuneration. Resolution 6
6. To transact any other ordinary business of the Company for which due notice has been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT DATES

NOTICE IS ALSO HEREBY GIVEN that, subject to the approval of the shareholders at the Twenty-Eighth Annual General Meeting to be held on June 27, 2001, the First & Final Dividend of 7% less tax in respect of the financial year ended December 31, 2000, will be paid on September 17, 2001.

The entitlement date for the dividend is September 3, 2001.

A depositor shall qualify for entitlement only in respect of:

- a) Shares transferred into the depositor's securities account before 12.30 p.m. on September 3, 2001 in respect of ordinary transfers.
- b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the rules of the Kuala Lumpur Stock Exchange.

NOTICE OF ANNUAL GENERAL MEETING – cont'd



By Order of the Board

Ooi Guat Ee (MIA 8042)
Tuen Mee Cheng (MAICSA 7007080)
Company Secretaries

Ipoh, Perak
May 30, 2001

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy or proxies (but not more than two) to attend and vote in his stead. If two proxies are appointed, the number of shares each proxy is entitled to vote must be stated in the proxy form. A proxy may but need not be a member of the Company.
2. Duly completed proxy forms must be deposited at the Registered Office of the Company, Lot 85, Jalan Portland, Tasek Industrial Estate, 31400 Ipoh, Perak Darul Ridzuan not less than 48 hours before the time for holding the meeting or any adjournment thereof.
3. If the appointor is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.

CORPORATE INFORMATION

Board of Directors

Chairman

*Y. Bhg. Dato (Dr) Haji Mohd. Ishak
bin Hj. Mohd. Ariff
DSPN, JSM, DJN, SMS, KMN, PPT, PJK

Deputy Chairman and Group Managing Director

Lim A Heng @ Lim Kok Cheong, JP

Executive Directors

Chok Hooa @ Chok Yin Fatt, PMP
Thang Lai Sung

Directors

#Chua Chee Seng, KMN, PPN
*Mohd Adhan bin Kechik, SMK
#Lee Kee Hong
*Y. Bhg. Dato' Ang Phaik Chin @
Ang Peck Chin, DPTS, KMN, AMN, PIS
(resigned on 23.3.2001)

*Independent Non-Executive Director
#Non-Executive Director

Company Secretaries

Ooi Guat Ee (MIA8042)
Tuen Mee Cheng (MAICSA7007080)

Audit Committee

Chairman

Mohd Adhan bin Kechik, SMK

Members

Y. Bhg. Dato (Dr) Haji Mohd. Ishak
bin Hj. Mohd. Ariff
DSPN, JSM, DJN, SMS, KMN, PPT, PJK
(appointed on 23.3.2001)
Chok Hooa @ Chok Yin Fatt, PMP
Y. Bhg. Dato' Ang Phaik Chin @
Ang Peck Chin, DPTS, KMN, AMN, PIS
(resigned on 23.3.2001)

Auditors

Deloitte KassimChan
(formerly known as Kassim Chan & Co.)
Public Accountants

Share Registrars

Sectrars Services Sdn. Bhd.
28-2, Jalan Tun Sambanthan 3,
Brickfields, 50470 Kuala Lumpur
Tel: 603-22746133
Fax: 603-22741016

Registered Office

Lot 85, Jalan Portland,
Tasek Industrial Estate,
31400 Ipoh,
Perak Darul Ridzuan
Tel: 605-2911055, 605-2912055
Fax: 605-2919962, 605-2910862
Telex: YLO MA44031 YLOIL MA44556
<http://www.yeelee.com.my>

Subsidiary Companies

Yee Lee Trading Co. Sdn. Bhd.
Yee Lee Palm Oil Industries Sdn. Bhd.
Yee Lee Edible Oils Sdn. Bhd.
South East Asia Paper Products Sdn. Bhd.
Intanwasa Sdn. Bhd.
Desa Tea Sdn. Bhd.
Sabah Tea Sdn. Bhd.
Genlin Investment Limited

Principal Bankers

Standard Chartered Bank Malaysia Berhad
HSBC Bank Malaysia Berhad
OCBC Bank (Malaysia) Berhad

Stock Exchange Listing

Main Board of Kuala Lumpur Stock
Exchange



Composition of Audit Committee

The Committee shall be appointed by the Directors from among their number and shall be composed of no fewer than three members of whom the non-executive members of the Board shall form the majority.

The members of the Audit Committee shall elect a Chairman from among their number who is a non-executive member of the Board.

If a member of the Audit Committee ceases to be a member with the result that the number is reduced to fewer than three, the Board of Directors shall, within three months of that event, appoint such number of new members as may be required to make up the minimum number.

Terms of Reference of the Audit Committee

The Audit Committee shall be granted the authority to investigate any activity of the Company and its subsidiaries and all employees shall be directed to co-operate as required by members of the Committee. The Committee shall be empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibilities.

The functions of the Audit Committee shall be to :

1. review with the external auditors, the audit plan;
2. review with the external auditors, their evaluation of the system of internal accounting controls;
3. review with the external auditors, their audit report;
4. nominate a person or persons as external auditors;
5. review the scope, functions and resources of the internal audit department;
6. review of the quarterly results and year end financial statements for recommendation to the Board of Directors for approval;
7. review any related party transactions that may arise within the Company and the Group;
8. perform such other functions as may be agreed to by the Committee and the Board.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I have great pleasure in presenting to you the Annual Report of Yee Lee Corporation Bhd. for the year ended December 31, 2000.

Financial Performance

The Group recorded a turnover of RM253.89 million for the year ended December 31, 2000, representing a decrease of 13.4% over the previous year. Despite the decrease in turnover, the Group managed to increase its pre-tax profit before exceptional item marginally by 2.4% to RM12.83 million. However during the year, the Group incurred an exceptional loss of RM2.56 million arising from the disposal of a subsidiary company. As a result, Group pre-tax profit decreased from RM12.53 million in 1999 to RM10.27 million.

Dividend

The directors are pleased to recommend a first and final dividend of 7%, less tax (1999: 7%, less tax) for the year ended December 31, 2000. The dividend, if approved, will be paid on September 17, 2001.

Review of Operations

The Company

The Company recorded a turnover and pre-tax profit of RM5.68 million and RM20.08 million respectively (1999: RM5.25 million and RM5.01 million). The significant increase in the pre-tax profit is due to the exceptional gain of RM15.11 million arising from the disposal of its entire 88.61% equity interest in Golden PET Industries Sdn. Bhd. (GPI) to Spritzer Bhd. (SB). As at December 31, 2000, the Company increased its equity interest in SB to 20.00% which resulted in it becoming an associated company of the Group. The majority of this shareholding arose from the disposal of GPI of which part of the sales consideration was satisfied by issuance of SB shares. This disposal will enable the Group to concentrate on its food processing business and at the same time participate in the businesses of one of the leading manufacturer and bottler of mineral water in Malaysia.



The Subsidiary Companies

Yee Lee Edible Oils Sdn. Bhd. (YLEO)

Despite a 31.8% decrease in turnover from RM160.23 million to RM109.23 million, YLEO recorded a 31.5% increase in pre-tax profit from RM3.05 million to RM4.01 million. The lower turnover is mainly due to the sharp decrease in crude palm oil price which directly affected the selling price of cooking oil. Despite the sharp decrease in turnover, YLEO was able to maintain its profit margin mainly due to the high quality of its cooking oil coupled with its well established and loyal customer base. YLEO continues to progressively improve on its product quality, production efficiency and cost control strategies in order to stay ahead of its competitors.

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

Despite a 30.3% decrease in turnover from RM104.35 million to RM72.72 million, YLPOI managed to maintain its pre-tax profit at RM2.36 million as compared to RM2.23 million in the previous year. The sharp decrease in turnover is attributed to the sharp decrease in crude palm oil price. The price of its major raw materials, fresh fruit bunches, also dropped in tandem with the crude palm oil price. YLPOI was able to maintain its profitability through its continuous efforts to improve on its plant efficiency, cost and quality control.

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

SEAPP recorded a turnover and pre-tax profit of RM24.09 million and RM3.14 million respectively (1999: RM18.09 million and RM0.93 million). This impressive result was due to its aggressive marketing strategies adopted with the objectives of delivering superior products backed by prompt customer service and support to enhance customer satisfaction. Constant cost saving measures were also undertaken in addition to various improvements made to productivity, quality and efficiency.

Yee Lee Trading Co. Sdn. Bhd. (YLT)

YLT recorded a turnover and pre-tax profit of RM161.32 million and RM3.43 million respectively (1999: RM177.68 million and RM3.83 million). Continuous efforts have been taken by YLT to increase its range of products and improve on its distribution channels and services. During the year, YLT has secured the sole distribution rights of Anakku baby products in East Malaysia as well as promoting new products such as Sunflow and Sunplus detergents, Tung-1 Instant Bihun and MorningKiss Ice-Zone toothbrushes.

Desa Tea Sdn. Bhd. (DT)

DT recorded a turnover and pre-tax loss of RM1.41 million and RM1.17 million respectively (1999: RM2.71 million and RM0.23 million). Fierce competition in the tea industry was the main reason for the poor performance. However various cost control measures and aggressive marketing strategies are currently being taken by management to enhance its turnover and profitability .

Sabah Tea Sdn. Bhd. (ST)

ST is presently inactive but owns a piece of agriculture land in the District of Ranau, Sabah measuring approximately 3,219 acres. There are currently no immediate plans to develop the land.

Future Prospects

In view of the current economic conditions, the Group foresees a challenging year ahead. As such, the Group will maintain its focus on its core activities and continue its emphasis on cost control in order to weather the difficult economic conditions. Barring any unforeseen and adverse circumstances, the Board believes that the Group's performance in Year 2001 will be satisfactory.

Acknowledgement

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

Dato (Dr) Haji Mohd. Ishak bin Hj. Mohd. Ariff
DSPN, JSM, DJN, SMS, KMN, PPT, PJK
Chairman

April 6, 2001



The directors of YEE LEE CORPORATION BHD. have pleasure in submitting their report and the audited financial statements of the Group and the Company for the financial year ended December 31, 2000.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

The principal activities of the subsidiary companies are disclosed in Note 12 to the Financial Statements.

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

RESULTS OF OPERATIONS

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

	The Group RM'000	The Company RM'000
Profit before exceptional item and tax	12,827	4,970
Exceptional item	(2,561)	15,115
Profit before tax	10,266	20,085
Income tax expense	(3,601)	(1,496)
Profit after tax	6,665	18,589
Minority interest	(178)	-
Net profit for the year	<u>6,487</u>	<u>18,589</u>

In the opinion of the directors, the results of operations of the Group and the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than the exceptional item as disclosed in Note 6 to the Financial Statements.

DIVIDENDS

A first and final dividend of 7%, less tax, amounting to RM1,893,478 proposed in the previous financial year and dealt with in the previous directors' report was paid by the Company during the current financial year.

The directors have proposed a first and final dividend of 7%, less tax, amounting to RM1,893,478 in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

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

SHARE OPTIONS

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

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

OTHER FINANCIAL INFORMATION

Before the income statements and balance sheets of the Group and 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 provision for doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate provision has 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.



OTHER FINANCIAL INFORMATION – cont'd

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 provision for doubtful debts in the financial statements of the Group and 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 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 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 the Company misleading.

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

- (a) any charge on the assets of the Group and 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 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 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 the Company for the succeeding financial year.

DIRECTORS' REPORT – cont'd

DIRECTORS

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

Y. Bhg. Dato (Dr) Haji Mohd. Ishak bin Hj. Mohd. Ariff, DSPN, JSM, DJN, SMS, KMN, PPT, PJK
Mr. Lim A Heng @ Lim Kok Cheong, JP
Mr. Chok Hooa @ Chok Yin Fatt, PMP
Mr. Thang Lai Sung
Mr. Chua Chee Seng, KMN, PPN
Encik Mohd Adhan bin Kechik, SMK
Mr. Lee Kee Hong
Y. Bhg. Dato' Ang Phaik Chin @ Ang Peck Chin, DPTS, KMN, AMN, PIS
(resigned on 23.3.2001)

In accordance with Article 80 of the Company's Articles of Association, Messrs. Thang Lai Sung and Chua Chee Seng, KMN, PPN retire by rotation and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

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

	Number of ordinary shares of RM1.00 each			
	Balance at 1.1.2000	Bought	Sold	Balance at 31.12.2000
Shares in the Company				
Direct interest				
Y. Bhg. Dato (Dr) Haji Mohd. Ishak bin Hj. Mohd. Ariff, DSPN, JSM, DJN, SMS, KMN, PPT, PJK	562,000	–	–	562,000
Mr. Lim A Heng @ Lim Kok Cheong, JP	55,000	–	–	55,000
Mr. Chok Hooa @ Chok Yin Fatt, PMP	5,000	–	–	5,000
Mr. Thang Lai Sung	5,000	–	–	5,000
Encik Mohd Adhan bin Kechik, SMK	100,000	–	–	100,000
Mr. Lee Kee Hong	5,000	–	–	5,000
Mr. Chua Chee Seng, KMN, PPN	–	3,000	3,000	–
Indirect interest				
Mr. Lim A Heng @ Lim Kok Cheong, JP	19,222,000	236,000	–	19,458,000



DIRECTORS' INTERESTS – cont'd

	Number of ordinary shares of RM1.00 each			
	Balance at 1.1.2000	Bought	Sold	Balance at 31.12.2000
Shares in holding company				
Yee Lee Organization Bhd.				
Direct interest				
Mr. Lim A Heng @ Lim Kok Cheong, JP	2,751	-	-	2,751
Mr. Thang Lai Sung	1,716	-	-	1,716
Mr. Chua Chee Seng, KMN, PPN	8,088	-	7,000	1,088
Mr. Lee Kee Hong	11,550	-	-	11,550
Indirect interest				
Mr. Lim A Heng @				
Lim Kok Cheong, JP	5,951,253	888,651	-	6,839,904

By virtue of his interest in the Company, Mr. Lim A Heng @ Lim Kok Cheong, JP is also deemed to have an interest in the shares of all the subsidiary companies.

Y. Bhg. Dato' Ang Phaik Chin @ Ang Peck Chin, DPTS, KMN, AMN, PIS did not hold shares or have beneficial interest in the shares of the Company during the financial year. Under the Company's Articles of Association, the directors are not required to hold shares in the Company.

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 those disclosed as directors' remuneration 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 Notes 5 and 18 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 Company is a subsidiary of Yee Lee Organization Bhd., a company incorporated in Malaysia, which is also regarded by the directors as its ultimate holding company.

AUDITORS

The auditors, Messrs. Deloitte KassimChan (formerly known as Kassim Chan & Co.) have indicated their willingness to continue in office.

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

MR. LIM A HENG @ LIM KOK CHEONG, JP
Group Managing Director

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

Ipoh,
April 6, 2001



REPORT OF THE AUDITORS TO THE MEMBERS OF YEE LEE CORPORATION BHD.

We have audited the accompanying balance sheets as of December 31, 2000, the related statements of income, cash flows and changes in equity for the year then ended. These financial statements are the responsibility of the Company's directors. 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the abovementioned financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the state of affairs of the Group and the Company as of December 31, 2000 and of the results and cash flows of the Group and the Company for the year ended on that date; and
 - (ii) the matters required by Section 169 of the Act to be dealt with in the financial statements and consolidated financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

REPORT OF THE AUDITORS TO THE MEMBERS OF

YEE LEE CORPORATION BHD. – cont'd

We have considered the financial statements and the auditors' reports of the subsidiary companies, of which we have not acted as auditors, as mentioned under Note 12 to the Financial Statements, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements, and we have received satisfactory information and explanations as required by us for these purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Act.

DELOITTE KASSIMCHAN

AF 0080

Public Accountants

GREGORY WONG GUANG SENG

787/3/03(J/PH)

Partner

April 6, 2001



INCOME STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2000

	Notes	The Group		The Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Revenue	4	253,890	293,047	5,680	5,251
Other operating income		3,074	6,699	-	-
Finished and trading goods purchased		(72,593)	(46,997)	-	-
Changes in inventories of finished goods and work-in-progress		5,449	(2,427)	-	-
Raw materials and consumables used		(119,638)	(172,459)	-	-
Staff costs		(18,428)	(17,949)	-	-
Depreciation of property, plant and equipment		(6,230)	(7,708)	-	-
Other operating expenses		(27,345)	(31,120)	(710)	(164)
Profit from operations		18,179	21,086	4,970	5,087
Finance costs	5	(5,887)	(8,554)	-	(82)
Share of profits of an associated company		535	-	-	-
Profit before exceptional item and tax	5	12,827	12,532	4,970	5,005
Exceptional item	6	(2,561)	-	15,115	-
Profit before tax		10,266	12,532	20,085	5,005
Income tax expense	7	(3,601)	49	(1,496)	(1,335)
Profit after tax		6,665	12,581	18,589	3,670
Minority interest		(178)	(370)	-	-
Net Profit for the year		6,487	12,211	18,589	3,670
Earnings per ordinary share					
Basic	9	17.3 sen	32.5 sen		
Diluted	9	17.3 sen	32.5 sen		

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

BALANCE SHEETS

AS OF DECEMBER 31, 2000

	Notes	The Group		The Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
ASSETS					
Property, plant and equipment	10	113,028	138,196	-	-
Goodwill on consolidation	11	2,555	2,667	-	-
Investments in					
subsidiary companies	12	-	-	43,350	48,179
Investments in					
associated companies	13	22,898	5,229	22,434	5,229
Other investments	14	267	247	-	-
Current Assets					
Inventories	15	32,512	30,379	-	-
Trade receivables	16 & 18	43,896	40,315	-	-
Other receivables, deposits and prepayments	17 & 18	13,075	10,555	76	65
Amount owing by ultimate holding company	18	15,900	15,988	-	-
Amount owing by subsidiary companies	18	-	-	18,800	13,435
Amount owing by other related companies	18	31,480	31,804	-	-
Amount owing by an associated company	13	-	1,864	-	1,864
Cash and bank balances		3,305	1,949	21	7
		140,168	132,854	18,897	15,371



BALANCE SHEETS – cont'd

AS OF DECEMBER 31, 2000

	Notes	The Group		The Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Current Liabilities					
Trade payables	18	22,332	13,694	–	–
Other payables and accrued expenses	18	11,661	13,247	65	64
Amount owing to subsidiary companies	18	–	–	–	794
Amount owing to other related companies	18	445	1,115	–	–
Hire-purchase creditors	18 & 19	437	3,309	–	–
Short-term borrowings	20	97,556	101,929	–	–
Tax liabilities		1,090	1	–	–
Proposed dividend	8	1,894	1,894	1,894	1,894
		135,415	135,189	1,959	2,752
Net Current Assets/(Liabilities)		4,753	(2,335)	16,938	12,619
		143,501	144,004	82,722	66,027
Long-term and Deferred Liabilities					
Deferred tax liabilities	21	5,780	6,765	–	–
Hire-purchase creditors – non-current portion	18 & 19	349	1,920	–	–
Long-term loan – non-current portion	22	1,232	1,051	–	–
		(7,361)	(9,736)	–	–
Minority interests		(193)	(2,914)	–	–
Net Assets		135,947	131,354	82,722	66,027
Represented by:					
Issued capital	23	37,569	37,569	37,569	37,569
Reserves	24	98,378	93,785	45,153	28,458
Shareholders' Equity		135,947	131,354	82,722	66,027

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2000

The Group	Note	Issued Capital RM'000	Non-distributable Reserves			Distributable Reserve	Total RM'000
			Share Premium RM'000	Revaluation Reserve RM'000	Reserve on Consolidation RM'000	Unappropriated Profit RM'000	
Balance as of January 1, 1999		37,569	4,979	24,440	509	52,629	120,126
Surplus on revaluation of land and buildings		-	-	911	-	-	911
Net gain not recognised in the income statement		-	-	911	-	-	911
Net profit for the year		-	-	-	-	12,211	12,211
Dividend	8	-	-	-	-	(1,894)	(1,894)
Balance as of December 31, 1999		37,569	4,979	25,351	509	62,946	131,354
Net profit for the year		-	-	-	-	6,487	6,487
Dividend	8	-	-	-	-	(1,894)	(1,894)
Balance as of December 31, 2000		37,569	4,979	25,351	509	67,539	135,947

The Company	Note	Issued Capital RM'000	Non-distributable Reserves		Distributable Reserve	Total RM'000
			Share Premium RM'000	Revaluation Reserve RM'000	Unappropriated Profit RM'000	
Balance as of January 1, 1999		37,569	4,979	3,220	18,483	64,251
Net profit for the year		-	-	-	3,670	3,670
Dividend	8	-	-	-	(1,894)	(1,894)
Balance as of December 31, 1999		37,569	4,979	3,220	20,259	66,027
Net profit for the year		-	-	-	18,589	18,589
Dividend	8	-	-	-	(1,894)	(1,894)
Balance as of December 31, 2000		37,569	4,979	3,220	36,954	82,722

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

CASH FLOW STATEMENTS



FOR THE YEAR ENDED DECEMBER 31, 2000

	Note	The Group	
		2000 RM'000	1999 RM'000
CASH FLOWS FROM/(USED IN)			
OPERATING ACTIVITIES			
Profit before tax		10,266	12,532
Adjustments for:			
Depreciation of property, plant and equipment		6,230	7,708
Finance costs		5,887	8,554
Loss on disposal of a subsidiary company		2,561	-
Provision for doubtful debts		400	1,588
Bad debts written off		176	114
Amortisation of goodwill on consolidation		112	113
Loss on disposal of shares in an associated company		23	-
Property, plant and equipment written off		18	57
Inventories written off		17	13
Interest income		(1,581)	(1,447)
Share of profits of an associated company		(535)	-
Gain on disposal of property, plant and equipment		(93)	(88)
Operating Profit Before Working Capital Changes		23,481	29,144
Decrease/(Increase) in inventories		(6,560)	2,333
Increase in trade receivables		(4,947)	(7,471)
Decrease/(Increase) in other receivables, deposits and prepayments		(3,218)	7,293
Decrease in amount owing by ultimate holding company		88	3,543
Increase in amount owing by other related companies		(5,535)	(1,507)
Decrease/(Increase) in amount owing by an associated company		1,863	(154)
Increase/(Decrease) in trade payables		8,638	(1,776)
Increase/(Decrease) in other payables and accrued expenses		(840)	907
Increase/(Decrease) in amount owing to other related companies		(663)	1,055
Cash Generated From Operations		12,307	33,367
Finance costs paid		(5,870)	(6,121)
Interest income received		1,581	1,447
Income tax paid		(1,612)	(3,193)
Net Cash Generated From Operating Activities		6,406	25,500

CASH FLOW STATEMENTS – cont'd

FOR THE YEAR ENDED DECEMBER 31, 2000

	Note	The Group	
		2000	1999
		RM'000	RM'000
CASH FLOWS FROM/(USED IN)			
INVESTING ACTIVITIES			
Proceeds from disposal of a subsidiary company, net of cash and cash equivalents disposed *		6,234	–
Proceeds from disposal of shares in an associated company		1,666	–
Proceeds from disposal of property, plant and equipment		237	226
Acquisition of shares in an associated company		(944)	–
Purchase of property, plant and equipment		(13,764)	(5,614)
Purchase of other investments		(20)	(247)
Net Cash Used In Investing Activities		(6,591)	(5,635)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from/(Repayment of) short-term bank borrowings		2,961	(13,031)
Proceeds from term loan		1,500	–
Proceeds from hire-purchase loans		33	304
Dividend paid		(1,894)	(1,623)
Repayment of term loans		(1,019)	(1,745)
Repayment of hire-purchase loans		(2,020)	(4,624)
Dividend paid to minority shareholders		(6)	(4)
Net Cash Used In Financing Activities		(445)	(20,723)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(630)	(858)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		(15,193)	(14,335)
CASH AND CASH EQUIVALENTS AT END OF YEAR	29	(15,823)	(15,193)



CASH FLOW STATEMENTS – cont'd

FOR THE YEAR ENDED DECEMBER 31, 2000

* ANALYSIS OF DISPOSAL OF A SUBSIDIARY COMPANY

During the financial year, the Group disposed of Golden PET Industries Sdn. Bhd. The net assets disposed of are as follows:

	The Group	
	2000	1999
	RM'000	RM'000
Property, plant and equipment	33,287	-
Inventories	4,410	-
Trade receivables	790	-
Other receivables, deposits and prepayments	209	-
Amount owing by related companies	5,859	-
Cash and bank balances	10	-
Other payables and accrued expenses	(761)	-
Amount owing to related companies	(7)	-
Hire-purchase creditors	(3,202)	-
Short-term borrowings	(12,307)	-
Tax liabilities	(19)	-
Term loans	(1,564)	-
Deferred tax liability	(1,307)	-
Minority interest	(2,894)	-
	22,504	-
Loss on disposal	(2,561)	-
	19,943	-
Total consideration	19,943	-
Less : Consideration satisfied by way of shares issued by the associated company	(17,949)	-
	1,994	-
Total cash consideration	1,994	-
Less: Cash and bank balances	(10)	-
Add: Bank overdrafts	4,250	-
	6,234	-
Cash flow on disposal, net of cash and cash equivalents disposed	6,234	-

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

CASH FLOW STATEMENTS – cont'd

FOR THE YEAR ENDED DECEMBER 31, 2000

	Note	The Company	
		2000	1999
		RM'000	RM'000
CASH FLOWS FROM/(USED IN)			
OPERATING ACTIVITIES			
Profit before tax		20,085	5,005
Adjustments for:			
Loss on disposal of shares in an associated company		23	–
Gain on disposal of a subsidiary company		(15,115)	–
Dividend income		(5,664)	(5,096)
Interest income		(16)	(155)
Finance costs		–	82
Operating Loss Before Working Capital Changes		(687)	(164)
Decrease in other receivables, deposits and prepayments		–	1
Increase in amount owing by subsidiary companies		(5,365)	(286)
Decrease/(Increase) in amount owing by an associated company		1,864	(155)
Increase/(Decrease) in other payables and accrued expenses		1	(9)
Increase/(Decrease) in amount owing to subsidiary companies		(794)	349
Cash Used In Operations		(4,981)	(264)
Dividends received		4,202	3,752
Income tax refund		–	75
Interest income received		16	155
Finance costs paid		–	(82)
Income tax paid		(45)	(11)
Net Cash Generated From/(Used In) Operating Activities		(808)	3,625

CASH FLOW STATEMENTS – cont'd



FOR THE YEAR ENDED DECEMBER 31, 2000

	Note	The Company	
		2000 RM'000	1999 RM'000
CASH FLOWS FROM/(USED IN)			
INVESTING ACTIVITIES			
Proceeds from disposal of a subsidiary company		1,994	-
Proceeds from disposal of shares in an associated company		1,666	-
Acquisition of shares in an associated company		(944)	-
Net Cash From Investing Activities		2,716	-
CASH FLOWS USED IN FINANCING ACTIVITIES			
Dividend paid		(1,894)	(1,623)
Repayment of revolving credits		-	(2,000)
Net Cash Used In Financing Activities		(1,894)	(3,623)
NET INCREASE IN CASH AND CASH EQUIVALENTS		14	2
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		7	5
CASH AND CASH EQUIVALENTS AT END OF YEAR	29	21	7

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

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

The principal activities of the subsidiary companies are disclosed in Note 12.

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

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards of the Malaysian Accounting Standards Board.

During the financial year, the Group and the Company adopted the MASB 1, Presentation of Financial Statements which is effective for financial periods commencing on and after July 1, 1999. Accordingly, the presentation and disclosure of the financial information have been modified to conform with the requirements of MASB 1. Certain comparative figures have been reclassified to achieve a consistent presentation.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared under the historical cost convention. The financial statements of the Group and the Company have been modified to include the revaluation of certain property, plant and equipment and investments in subsidiary companies respectively.

Revenue Recognition

Revenue are recognised net of discounts when transfer of risks and rewards have been completed.

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

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.



3. SIGNIFICANT ACCOUNTING POLICIES – cont'd

Foreign Currency Conversion

Transactions in foreign currencies are converted into Ringgit Malaysia at exchange rates prevailing at the transaction dates or, where settlement has not yet been made at the end of the financial year, at approximate exchange rates prevailing at that date. All foreign exchange gains or losses are taken up in the income statements.

For the purpose of consolidation, the financial statements of a foreign incorporated subsidiary has been translated into Ringgit Malaysia as follows:

Assets and liabilities – at closing rate of HKD100 : RM48.08 (1999: HKD100: RM48.31)
 Issued capital – at historical rate
 Revenue and expense – at average rate

All translation gains or losses are taken up and reflected in the translation adjustment account under shareholders' equity.

Deferred Tax

The tax effects of transactions are generally recognised, using the "liability" method, when such transactions enter into the determination of net income regardless of when they are recognised for tax purposes. However, where timing differences give rise to a net deferred tax debit, the tax effects are recognised generally on actual realisation.

Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation.

Freehold land, plantation development expenditure and capital work-in-progress are not depreciated. Leasehold land is amortized evenly over the lease period ranging from 35 to 90 years.

Depreciation of other property, plant and equipment is computed principally on the reducing balance method at rates based on the estimated useful lives of the various assets.

The annual depreciation rates are as follows:

Land improvements	20%
Buildings	2% - 10%
Plant and machinery	10%
Motor vehicles	20%
Furniture, fixtures and equipment	10% - 20%

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 are charged to the income statement.

3. SIGNIFICANT ACCOUNTING POLICIES – cont'd

Assets Acquired Under Hire-Purchase Arrangements

Assets acquired under hire-purchase arrangements are capitalised under property, plant and equipment in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to the income statement to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Operating Leases

Leases of assets under which all the risks and benefits of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all the subsidiary companies listed under Note 12 made up to the end of the financial year. The results of subsidiary companies acquired or disposed of during the financial year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal.

All significant intercompany balances and transactions are eliminated on consolidation.

Reserve on consolidation represents the excess of the fair value of the identifiable net assets of the subsidiary companies over the purchase consideration at the date of acquisition.

Goodwill arising on consolidation represents the excess of the purchase consideration over the sum of the fair values of the identifiable net assets of the subsidiary companies acquired as at the date of acquisition and is amortised over its economic useful life of 25 years.

Investments

Investments in subsidiary companies, which are eliminated on consolidation and investments in associated companies, are stated in the Company's financial statements at cost or valuation less provision for permanent diminution in value, if any. The unquoted shares of certain subsidiary companies were revalued by the directors based on the value of underlying net assets as of December 31, 1991 modified to include the revaluation of certain property, plant and equipment.

Other investments in quoted and unquoted shares are stated in the financial statements at cost less provision for diminution in value of investment, if any.

A provision is made when the directors are of the opinion that a permanent diminution in value of an investment has occurred.



3. SIGNIFICANT ACCOUNTING POLICIES – cont'd

Associated Companies

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

The Group's investments in associated companies are accounted for under the equity method of accounting based on the audited or management financial statements of the associated companies made up to December 31, 2000. Under this method of accounting, the Group's interest in the post-acquisition profits of the associated companies is included in the consolidated results while dividend received is reflected as a reduction of the investment in the consolidated balance sheet. The carrying amount of such investments is reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

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 finished goods and work-in-progress comprise the cost of raw materials, direct labour and a proportion of production overheads. Cost of trade merchandise, raw materials, consumables, factory supplies, promotional stocks and goods-in-transit comprise the original purchase price plus cost incurred in bringing the inventories to their present location.

Receivables

Bad debts are written off while provision for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

Cash Flow Statements

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

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

During the financial year, the Group and the Company adopted the MASB 5, Cash Flow Statements which is effective for financial periods commencing on and after July 1, 1999. Short-term borrowings excluding bank overdrafts, which were included as part of cash and cash equivalents in previous year have been reclassified as movements in financing activities to achieve a consistent presentation.

NOTES TO THE FINANCIAL STATEMENTS – cont'd

4. REVENUE

An analysis of revenue is as follows:

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Sale of goods	253,874	292,892	–	–
Dividend income	–	–	5,664	5,096
Interest income	16	155	16	155
	253,890	293,047	5,680	5,251

5. PROFIT BEFORE EXCEPTIONAL ITEM AND TAX

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at:				
After charging:				
Finance costs comprise interest on:				
Other short-term bank borrowings	2,114	4,195	–	–
Bank overdrafts	1,825	1,926	–	–
Revolving credits	1,229	1,023	–	82
Hire-purchase	600	1,116	–	–
Long-term loans	119	294	–	–
Provision for doubtful debts	400	1,588	–	–
Directors' remuneration:				
Directors of the Company:				
Fees	69	69	50	50
Other emoluments	710	648	–	–
Directors of the subsidiary companies:				
Fees	28	42	–	–
Other emoluments	416	430	–	–



5. PROFIT BEFORE EXCEPTIONAL ITEM AND TAX – cont'd

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Realised loss on foreign exchange	237	2	238	-
Rental of premises	196	175	-	-
Bad debts written off	176	114	-	-
Hire of machinery	128	118	-	-
Audit fee:				
Current	116	109	5	5
Under/(Over) provision in prior year	5	(2)	-	-
Amortisation of goodwill on consolidation	112	113	-	-
Rental of bulking facilities and equipment	86	125	-	-
Professional fees paid to a company in which certain directors are members	36	40	4	4
Loss on disposal of shares in an associated company	23	-	23	-
Property, plant and equipment written off	18	57	-	-
Inventories written off	17	13	-	-
Lease rentals	6	96	-	-
Rental of motor vehicles	-	7	-	-
And crediting:				
Interest received on:				
Advances to related companies	1,565	1,292	-	-
Advances to an associated company	14	155	14	155
Others	2	-	2	-
Rental income	248	505	-	-
Bad debts recovered	137	72	-	-
Gain on disposal of property, plant and equipment	93	88	-	-
Provision for doubtful debts no longer required	3	5	-	-

NOTES TO THE FINANCIAL STATEMENTS – cont'd

6. EXCEPTIONAL ITEM

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Gain/(Loss) on disposal of a subsidiary company	(2,561)	-	15,115	-

7. INCOME TAX EXPENSE

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Income tax expense for the Group and the Company consists of:				
Current year	3,205	-	1,496	1,335
Under/(Over)provision in prior year	3	(303)	-	-
Deferred tax (Note 21)	322	254	-	-
Share of income tax expense in an associated company	71	-	-	-
	3,601	(49)	1,496	1,335

The provision for taxation of the Group for the current year reflects an effective tax rate which is higher than the statutory income tax rate because certain expense items have been considered as non-deductible for tax purposes.

In accordance with the Income Tax (Amendment) Act, 1999, tax on chargeable income for Year of Assessment 2000 (Preceding Year Basis) is waived. Accordingly, no provision for income tax has been made in the financial statements of the Group in 1999.

The provision for taxation of the Company for the current and preceding year relate to dividend income and interest income.



7. INCOME TAX EXPENSE – cont'd

As of December 31, 2000, certain subsidiary companies have not accounted for the following tax effects of the timing differences and potential tax savings which would result in a debit to the deferred tax balance:

	The Group	
	2000 RM'000	1999 RM'000
The deferred tax asset is in respect of the following:		
Timing differences in respect of unutilised tax losses and unabsorbed capital allowances	9,057	9,419

8. DIVIDEND

The Group and The Company

The directors have proposed a first and final dividend of 7% (1999: 7%), less tax, amounting to RM1,893,478 (1999: RM1,893,478) in respect of the current financial year. This dividend has been included as a liability in the financial statements. Net dividend per share during the year is 5.0 sen (1999: 5.0 sen).

9. EARNINGS PER ORDINARY SHARE

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

	The Group	
	2000 RM'000	1999 RM'000
Net profit for the year	6,487	12,211
Number of ordinary shares	37,569	37,569
Basic/Diluted earnings per share (sen)	17.3	32.5

NOTES TO THE FINANCIAL STATEMENTS – cont'd

10. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment in 2000 consist of the following:

The Group	←————— Cost (except as otherwise stated) —————→					At end of year RM'000
	At beginning of year RM'000	Additions RM'000	Disposals RM'000	Disposal of subsidiary company RM'000	Reclassification RM'000	
Freehold land:						
At 1998 valuation	1,401	–	–	–	–	1,401
At cost	–	7,456	–	–	–	7,456
Long-term leasehold land and improvements:						
At 1995 valuation	3,270	–	–	–	–	3,270
At 1998 valuation	31,857	–	–	–	–	31,857
At 1999 valuation	3,710	–	–	(3,710)	–	–
At cost	2,060	2,107	–	–	–	4,167
Short-term leasehold land:						
At 1998 valuation	2,135	–	–	–	–	2,135
Buildings:						
At 1995 valuation	95	–	–	–	–	95
At 1998 valuation	29,889	–	–	–	–	29,889
At 1999 valuation	7,760	–	–	(7,760)	–	–
At cost	2,772	714	–	(108)	5	3,383
Electricity and water supply system included in buildings under hire-purchase						
	–	79	–	–	–	79
Plant and machinery:						
At 1995 valuation	1,002	–	–	–	–	1,002
At cost	62,691	1,049	(23)	(18,755)	–	44,962
Plant and machinery under hire-purchase						
	14,556	82	–	(14,398)	–	240
Motor vehicles:						
At 1995 valuation	255	–	–	–	–	255
At cost	9,683	74	(227)	(321)	902	10,111
Motor vehicles under hire-purchase						
	1,830	839	(52)	–	(902)	1,715
Furniture, fixtures and equipment						
	7,851	999	(159)	(613)	364	8,442
Plantation development expenditure						
	1,486	418	–	–	–	1,904
Capital work-in-progress						
	2,888	778	–	–	(359)	3,307
Total	187,191	14,595	(461)	(45,665)	10	155,670

NOTES TO THE FINANCIAL STATEMENTS – cont'd



10. PROPERTY, PLANT AND EQUIPMENT – cont'd

The Group	← Accumulated depreciation →					Net book value		
	At beginning of year	Charge for the year	Disposals	Disposal of subsidiary company	Reclassification	At end of year	At beginning of year	At end of year
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Freehold land:								
At 1998 valuation	-	-	-	-	-	-	1,401	1,401
At cost	-	-	-	-	-	-	-	7,456
Long-term leasehold land and improvements:								
At 1995 valuation	40	39	-	-	-	79	3,230	3,191
At 1998 valuation	612	430	-	-	-	1,042	31,245	30,815
At 1999 valuation	29	24	-	(53)	-	-	3,681	-
At cost	77	55	-	-	1	133	1,983	4,034
Short-term leasehold land:								
At 1998 valuation	62	52	-	-	-	114	2,073	2,021
Buildings:								
At 1995 valuation	26	7	-	-	-	33	69	62
At 1998 valuation	1,266	741	-	-	-	2,007	28,623	27,882
At 1999 valuation	90	78	-	(168)	-	-	7,670	-
At cost	94	59	-	(1)	5	157	2,678	3,226
Electricity and water supply system included in buildings under hire-purchase								
	-	3	-	-	-	3	-	76
Plant and machinery:								
At 1995 valuation	375	70	(1)	-	-	444	627	558
At cost	32,546	2,548	(11)	(8,411)	(1)	26,671	30,145	18,291
Plant and machinery under hire-purchase								
	2,827	602	-	(3,404)	-	25	11,729	215
Motor vehicles:								
At 1995 valuation	157	20	-	-	-	177	98	78
At cost	6,790	609	(185)	(212)	428	7,430	2,893	2,681
Motor vehicles under hire-purchase								
	692	323	(19)	-	(428)	568	1,138	1,147
Furniture, fixtures and equipment								
	3,312	653	(83)	(128)	5	3,759	4,539	4,683
Plantation development expenditure								
	-	-	-	-	-	-	1,486	1,904
Capital work-in-progress								
	-	-	-	-	-	-	2,888	3,307
Total	48,995	6,313	(299)	(12,377)	10	42,642	138,196	113,028

NOTES TO THE FINANCIAL STATEMENTS – cont'd

10. PROPERTY, PLANT AND EQUIPMENT – cont'd

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

	The Group	
	2000	1999
	RM'000	RM'000
Depreciation of property, plant and equipment	83	107
Interest on:		
Bank overdrafts	28	36
Hire-purchase	1	1
Audit fee:		
Current	2	2
Overprovision in prior year	–	(1)

The freehold land, certain leasehold land and improvements, certain buildings, plant and machinery and motor vehicles of the subsidiary companies were revalued by the directors in 1995 and 1998 based on a valuation carried out by an independent firm of professional valuers using the "Open Market Value" basis. The leasehold land and certain buildings of the subsidiary companies were also revalued by the directors in 1995 and 1998 based on the "Open Market Value" basis.

The tax effect relating to the surplus on revaluation of property, plant and equipment has not been provided as the directors of the Company have no intention to dispose of these assets in the foreseeable future.

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

11. GOODWILL ON CONSOLIDATION

	The Group	
	2000	1999
	RM'000	RM'000
Goodwill, at cost	2,808	2,808
Cumulative amortisation:		
At beginning of year	141	28
Current amortisation	112	113
At end of year	(253)	(141)
Net	2,555	2,667



12. INVESTMENTS IN SUBSIDIARY COMPANIES

	The Company	
	2000 RM'000	1999 RM'000
Unquoted shares:		
At directors' valuation	19,850	21,223
At cost	23,500	26,956
Total	43,350	48,179

The subsidiary companies are as follows:

Name of Company	Place of Incorporation	Effective Percentage of Ownership		Principal Activities
		2000 %	1999 %	
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.
South East Asia Paper Products Sdn. Bhd. *	Malaysia	98.67	98.67	Manufacturing and selling of corrugated paper cartons.
Golden PET Industries Sdn. Bhd. @ *	Malaysia	-	88.61	Manufacturing and selling of PET bottles, pre-forms, toothbrushes and plastic household goods.
Intanwasa Sdn. Bhd.	Malaysia	100.00	100.00	Investment holding.
Genlin Investment Limited **	Hong Kong	100.00	100.00	Pre-operating.
Desa Tea Sdn. Bhd.	Malaysia	100.00	100.00	Plantation, manufacturing and distribution of tea.
Sabah Tea Sdn. Bhd.	Malaysia	100.00	100.00	Dormant.

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

** Audited by member firm of Deloitte Touche Tohmatsu.

@ Subsidiary company disposed off during the year.

NOTES TO THE FINANCIAL STATEMENTS – cont'd

13. INVESTMENTS IN ASSOCIATED COMPANIES

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Company accounted for under equity method of accounting:				
Quoted shares				
– at cost	17,205	–	17,205	–
Share of post-acquisition results	464	–	–	–
	17,669	–	17,205	–
Company not accounted for under equity method of accounting:				
Unquoted shares				
– at cost	5,229	5,229	5,229	5,229
	22,898	5,229	22,434	5,229
Market value of quoted shares	19,016	–	19,016	–

The associated companies are as follows:

Name of Company	Place of Incorporation	Effective Percentage of Ownership		Principal Activities
		2000	1999	
		%	%	
BestBuild Development Pte. Ltd. *	Singapore	30.07	30.07	Building construction and property development.
Spritzer Bhd.	Malaysia	20.00	–	Investment holding.

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



13. INVESTMENTS IN ASSOCIATED COMPANIES – cont'd

The Group's interest in Spritzer Bhd. which is accounted for under equity method of accounting is analysed as follows:

	The Group	
	2000	1999
	RM'000	RM'000
Share of net assets	18,370	-
Reserve on acquisition	(701)	-
	17,669	-

The Group's investment in BestBuild Development Pte. Ltd. is not equity accounted for because the investment is acquired and held exclusively with a view to its disposal in the near future. The directors are of the opinion that the results of the investment does not materially affect the financial statements of the Group.

The amount owing by an associated company in 1999 arose mainly out of unsecured advances which bear interest rate at 10.20% per annum and have no fixed repayment terms.

Significant transactions between the Company and its associated company during the financial year comprise interest on advances amounting to RM14,377 (1999: RM155,999).

14. OTHER INVESTMENTS

	The Group	
	2000	1999
	RM'000	RM'000
At cost:		
Quoted shares	20	-
Unquoted shares	247	247
Total	267	247
Market value of quoted shares	24	-

NOTES TO THE FINANCIAL STATEMENTS – cont'd

15. INVENTORIES

	The Group	
	2000	1999
	RM'000	RM'000
At cost:		
Finished goods and trading merchandise	20,227	16,469
Work-in-progress	145	765
Raw materials	5,583	7,951
Consumables	567	371
Factory supplies	1,407	1,530
Promotional stocks	464	523
Goods-in-transit	3,089	1,725
At net realisable value:		
Finished goods	1,030	1,045
Total	32,512	30,379

16. TRADE RECEIVABLES

	The Group	
	2000	1999
	RM'000	RM'000
Gross	47,975	44,422
Provision for doubtful debts	(4,079)	(4,107)
Net	43,896	40,315

17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Gross	13,120	10,600	76	65
Provision for doubtful debts	(45)	(45)	–	–
Net	13,075	10,555	76	65



18. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

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

The amount owing by or to ultimate holding company, subsidiary companies and other related companies arose mainly out of normal trade transactions, interest receivable on advances, rental receivable and payable on premises, transport income and unsecured advances which have no fixed repayment terms. Certain advances to other related companies bear interest rate at 9% (1999: 10%) per annum.

Significant intercompany transactions during the year are as follows:

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Ultimate holding company:				
Trade purchases	8,592	13,472	-	-
Trade sales	8,547	13,412	-	-
Rental receivable on premises	24	24	-	-
Subsidiary companies:				
Dividends received (gross)	-	-	5,664	5,096
Other related companies:				
Trade purchases	18,014	28,671	-	-
Trade sales	8,952	16,720	-	-
Interest receivable on advances	1,565	1,292	-	-
Rental receivable on premises	60	150	-	-
Transport income	47	58	-	-
Rental payable on premises	18	18	-	-

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

NOTES TO THE FINANCIAL STATEMENTS – cont'd

18. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS – cont'd

During the financial year, significant related party transactions other than those disclosed above and in Note 13, are as follows:

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Trade sales	2,057	–	–	–
Insurance	317	943	–	2
Contract wages	970	850	–	–
Hire-purchase loans	708	304	–	–
Interest on hire-purchase loans	129	181	–	–
Secretarial and accounting fees	36	40	4	4
Trade purchases	21,408	–	–	–
Transport income	38	–	–	–

The directors of the Company are of the opinion that the above transactions have been entered in the normal course of business and have been established under terms that are no less favourable than those arranged with independent third parties.

The outstanding balances arising from related party transactions are as follows:

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Receivables:				
Included in trade receivables	821	–	–	–
Included in other receivables, deposits and prepayments	1,669	–	–	–
Payables:				
Included in trade payables	4,475	–	–	–
Included in other payables and accrued expenses	260	146	3	3
Included in hire-purchase creditors	721	533	–	–



19. HIRE-PURCHASE CREDITORS

	The Group	
	2000	1999
	RM'000	RM'000
Principal outstanding	786	5,229
Portion due within one year	(437)	(3,309)
Non-current portion	349	1,920

The interest rates implicit in these hire-purchase obligations range from 6.75% to 14.55% (1999: 6.50% to 14.00%) per annum.

The non-current portion of the hire-purchase obligations as of December 31, 2000 are repayable as follows:

	The Group	
	2000	1999
	RM'000	RM'000
Financial year ending December 31:		
2001	-	1,872
2002	274	48
2003	75	-
	349	1,920

20. SHORT-TERM BORROWINGS

	The Group	
	2000	1999
	RM'000	RM'000
Unsecured:		
Bank overdrafts	19,128	17,142
Other short-term bank borrowings	47,205	64,301
Revolving credits	31,000	19,000
Portion of long-term loan due within one year (Note 22)	223	1,486
	97,556	101,929

The bank overdrafts and other credit facilities are guaranteed by the Company.

The above facilities bear interest rates ranging from 3.15% to 9.30% (1999: 3.10% to 11.20%) per annum during the year.

NOTES TO THE FINANCIAL STATEMENTS – cont'd

21. DEFERRED TAX LIABILITIES

	The Group	
	2000	1999
	RM'000	RM'000
Balance at beginning of year	6,765	6,511
Transfer from income statement (Note 7)	322	254
Disposal of a subsidiary company	(1,307)	–
Balance at end of year	5,780	6,765

The deferred tax liabilities of the Group is in respect of timing differences between depreciation and tax allowances on property, plant and equipment.

22. LONG-TERM LOAN

	The Group	
	2000	1999
	RM'000	RM'000
Outstanding loan		
Unsecured:		
Principal outstanding	1,455	2,537
Portion due within one year (Note 20)	(223)	(1,486)
Non-current portion	1,232	1,051

The non-current portion of the long-term loan is repayable as follows:

	The Group	
	2000	1999
	RM'000	RM'000
Financial year ending December 31:		
2001	–	701
2002	214	350
2003	214	–
2004	214	–
2005	214	–
2006	214	–
2007 and above	162	–
	1,232	1,051

The above term loan is guaranteed by the Company and bears interest rate at 7.80% (1999: ranging from 7.80% to 9.40%) per annum.



23. SHARE CAPITAL

	The Group and The Company	
	2000 RM'000	1999 RM'000
Authorised:		
Ordinary shares of RM1 each	100,000	100,000
Issued and fully paid:		
Ordinary shares of RM1 each	37,569	37,569

24. RESERVES

Distributable reserves are those available for distribution as cash dividends. Based on estimated tax credits and tax-exempt accounts available and the prevailing tax rate applicable to dividends, the unappropriated profit of the Company as of December 31, 2000 is available for distribution in full by way of cash dividends without additional tax liability being incurred. Any dividends declared and proposed out of the aforesaid tax-exempt accounts will be tax-exempted in the hands of the shareholders.

25. CONTINGENT LIABILITIES

	The Company	
	2000 RM'000	1999 RM'000
Guarantees for borrowings of subsidiary companies	290,596	329,121

26. COMMITMENTS

	The Group	
	2000 RM'000	1999 RM'000
Capital expenditure:		
Approved and not contracted for	71	667
Approved and contracted for	3,765	563
	3,836	1,230

Operating lease commitment:

The future minimum lease payments under the non-cancellable operating lease are as follows:

Financial year ending December 31:		
2000	-	6

NOTES TO THE FINANCIAL STATEMENTS – cont'd

27. SEGMENTAL INFORMATION- THE GROUP

Industry segment

	Revenue		Profit/(Loss) Before Tax		Total Assets Employed	
	2000	1999	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Manufacturing	83,263	90,787	7,857	7,080	142,986	179,218
Trading	170,611	202,105	3,349	3,984	82,786	74,429
Non-segment items	16	155	(1,475)	1,468	53,144	25,546
Associated company	-	-	535	-	-	-
Total	253,890	293,047	10,266	12,532	278,916	279,193

Non-segment items consist of revenue, profit/(loss) before tax and total assets employed in activities which are not attributable to any of the major industry segments.

Information on the Group's operations by geographical segment has not been provided as the Group operates principally in Malaysia.

28. GENERAL INFORMATION

The Company is a company with limited liability and domiciled in Malaysia and listed on the Main Board of the Kuala Lumpur Stock Exchange.

The total number of employees of the Group and the Company as of December 31, 2000 were 991 (1999: 1,088) and Nil (1999: Nil) respectively.

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

29. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	3,305	1,949	21	7
Bank overdrafts	(19,128)	(17,142)	-	-
	(15,823)	(15,193)	21	7



STATEMENT BY DIRECTORS

The directors of **YEE LEE CORPORATION BHD.** state that, in their opinion, the accompanying balance sheets and statements of income, cash flows and changes in equity, are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company as of December 31, 2000 and of the results of their businesses and the cash flows of the Group and the Company for the year ended on that date.

Signed in accordance with a resolution of the Directors,

MR. LIM A HENG @ LIM KOK CHEONG, JP
Group Managing Director

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

Ipoh,
April 6, 2001

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **MR. LIM A HENG @ LIM KOK CHEONG, JP**, the director primarily responsible for the financial management of **YEE LEE CORPORATION BHD.**, do solemnly and sincerely declare that the accompanying balance sheets and statements of income, cash flows and changes in equity, 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. LIM A HENG @ LIM KOK CHEONG, JP

Subscribed and solemnly declared by the abovenamed **MR. LIM A HENG @ LIM KOK CHEONG, JP** at **IPOH** on 6th day of April, 2001

Before me,

ABD. RAHIM B. HJ. MAT TAIB, AMN, AMP
COMMISSIONER FOR OATHS
Ipoh

SHAREHOLDING STATISTICS

AS AT APRIL 20, 2001

Share Capital

Authorised Share Capital	:	RM100,000,000
Issued and fully paid-up share capital	:	RM37,569,000
Class of Shares	:	Ordinary shares of RM1.00 each
Voting Rights	:	1 vote per ordinary share

Analysis of Shareholdings

By Size of Holdings

Size of Holdings	Number of Shareholders		Number of Shares	
		%		%
Less than 500	0	0.00	0	0.00
500 – 5,000	1,937	90.22	3,353,000	8.93
5,001 – 10,000	105	4.89	867,000	2.31
10,001 – 100,000	85	3.96	2,450,000	6.52
100,001 – 1,000,000	18	0.84	7,094,000	18.88
Above 1,000,000	2	0.09	23,805,000	63.36
	2,147	100.00	37,569,000	100.00

Twenty Largest Shareholders

Name	Number of Shares	%
1. Yee Lee Organization Bhd.	18,732,000	49.86
2. Lembaga Tabung Haji	5,073,000	13.50
3. Yee Lee Organization Bhd.	874,000	2.33
4. Cartaban Nominees (Asing) Sdn. Bhd. – Bank of Tokyo Mitsubishi Luxembourg S.A. for Osterreichische Volksbanken AG	838,000	2.23
5. OSK Nominees (Tempatan) Sdn. Berhad – Lem Kim Kaw	645,000	1.72
6. Yap Ah Fatt	623,000	1.66
7. Dato (Dr) Haji Mohd. Ishak bin Hj. Mohd. Ariff	562,000	1.50
8. OSK Nominees (Tempatan) Sdn. Berhad – Lee Chin Kok	523,000	1.39
9. OSK Nominees (Tempatan) Sdn. Berhad – Kuan Peng Ching @ Kuan Peng Soon	438,000	1.17
10. Universal Trustee (Malaysia) Berhad – Pacific Premier Fund	370,000	0.99



SHAREHOLDING STATISTICS – cont'd

AS AT APRIL 20, 2001

Twenty Largest Shareholders

Name	Number of Shares	%
11. OSK Nominees (Tempatan) Sdn. Berhad – Nik Mohamad Pena bin Nik Mustapha	293,250	0.78
12. Lembaga Tabung Haji	279,000	0.74
13. Nik Mohamad Pena bin Nik Mustapha	275,000	0.73
14. Kuan Peng Ching @ Kuan Peng Soon	241,000	0.64
15. Amanah Raya Nominees (Tempatan) Sdn. Bhd. – Amanah Saham Selangor	231,000	0.61
16. Jailani bin Abdullah	229,000	0.61
17. Lai Ka Chee	203,750	0.54
18. Citicorp Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Kuan Peng Ching @ Kuan Peng Soon	200,000	0.53
19. Arab-Malaysian Nominees (Tempatan) Sdn. Bhd. – Arab Malaysian Trustee Bhd. for Pacific Pearl Fund	165,000	0.44
20. RHB Nominees (Tempatan) Sdn. Bhd. – ING Barings South East Asia Ltd for Lim Beng Keat	104,000	0.28
	30,899,000	82.25

Substantial Shareholders

Name	Direct		Shares in which there is deemed interest	
	shareholdings	%		%
1. Yee Lee Organization Bhd.	19,606,000	52.19	–	–
2. Lembaga Tabung Haji	5,352,000	14.25	–	–
3. Kuan Peng Ching @ Kuan Peng Soon	879,000	2.34	–	–
4. Osterreichische Volksbanken AG	838,000	2.23	–	–
5. Lim A Heng @ Lim Kok Cheong, JP	55,000	0.15	19,624,000	52.23
6. Chua Shok Tim @ Chua Siok Hoon	18,000	0.05	19,661,000	52.33
7. Unikampar Credit & Leasing Sdn. Bhd.	–	–	19,606,000	52.19
8. Uniyelee Bhd.	–	–	19,606,000	52.19
9. Yeleta Holdings Sdn. Bhd.	–	–	19,606,000	52.19
10. Young Wei Holdings Sdn. Bhd.	–	–	19,606,000	52.19

LIST OF PROPERTIES

AS AT DECEMBER 31, 2000

Location	Tenure	Current Use	Approximate Age of Building (Year)	Land/ Gross Floor Area (sq.metres)	Net Book Value RM'000
Lots No. 72169, 158022 and PT80026, Mukim of Ulu Kinta, District of Kinta, Perak Darul Ridzuan	Leasehold expiring on 1-9-2075, 30-7-2088 and 28-3-2050 respectively	3-storey office, factory, warehouse and adjoining vacant land	25	34,368/ 18,914	15,321
P.T. No. 311, Town of Melaka, District of Melaka Tengah, Melaka	Leasehold expiring on 19-12-2075	Double storey shophouse	29	276/ 310	280
L.O. No. 26/73 Mukim of Bukit Katil, District of Melaka Tengah, Melaka	Leasehold expiring on 30-5-2072	Single storey semi-detached factory	30	2,013/ 677	687
MLO Nos. 3647 and 3648, Mukim of Tebrau, District of Johor Bahru, Johor Darul Takzim	Freehold	2 adjoining units of single storey semi-detached factories	19	1,609/ 706	1,277
Lot No. 15624, Mukim of Kuala Kuantan, Kuantan, Pahang	Freehold	Double storey shophouse	22	149/ 285	215
P.T. No. 10010, Mukim of Kuala Kuantan, Kuantan, Pahang	Leasehold expiring on 18-7-2044	Single storey semi-detached factory	21	922/ 466	326



LIST OF PROPERTIES – cont'd

AS AT DECEMBER 31, 2000

Location	Tenure	Current Use	Approximate Age of Building (Year)	Land/ Gross Floor Area (sq.metres)	Net Book Value RM'000
Lot No. PT 8438, Mukim of Batu, District of Gombak, Selangor Darul Ehsan	Leasehold expiring on 9-7-2078	Double storey factory building	14	2,553/ 3,291	3,264
Lot No. 16505, Mukim of Batu, Wilayah Persekutuan, Kuala Lumpur	Leasehold expiring on 16-6-2067	Single storey detached factory	28	1,799/ 449	1,454
Lot No. 656, Block 233, Kuching North Land District, 5th Mile, Penrissen Road, Kuching, Sarawak	Leasehold expiring on 31-12-2038	Vacant land	-	2,185	157
Lot 2240, Section 66 Kuching Town Land District, Kuching, Sarawak	Leasehold expiring on 17-3-2042	Single storey factory cum double storey office	15	3,103/ 1,690	2,612
Town Lease No. 077532828, District of Sandakan, Sandakan, Sabah	Leasehold expiring on 31-12-2029	1 1/2 storey semi-detached warehouse	20	585/ 414	474
Lease No. 105430000, District of Tawau, Tawau, Sabah	Leasehold expiring on 31-12-2042	Single storey detached factory	18	2,086/ 476	727
Lot Nos. 4337 and 4338, Mukim 13, Daerah Timur Laut, Penang	Freehold	2 adjoining unit of 3-storey shophouse	16	307/ 594	1,079

LIST OF PROPERTIES – cont'd

AS AT DECEMBER 31, 2000

Location	Tenure	Current Use	Approximate Age of Building (Year)	Land/ Gross Floor Area (sq.metres)	Net Book Value RM'000
Unit Nos. 1902, 1903, 19th Floor, Sun Complex, Kuala Lumpur	Freehold	2 adjoining Apartment units	22	199	283
Country Lease No. 015424521, District of Kota Kinabalu, Sabah	Leasehold expiring on 31-12-2073	9 double storey industrial buildings	4	1,420/ 2,842	4,246
PT No 31095, HS(D) 24203, Mukim of Batu, District of Gombak, Selangor Darul Ehsan	Freehold	Vacant land	-	14,729	7,456
PT 3843, HS(M) 1602, Mukim Bukit Baru, Daerah Melaka Tengah, Melaka	Leasehold expiring on 29-03-2097	Vacant land	-	3,338	534
PT 3842, HS(M) 1601, Mukim Bukit Baru, Daerah Melaka Tengah, Melaka	Leasehold expiring on 29-03-2097	Vacant land	-	3,267	523
Lot 70428, Mukim of Ulu Kinta, District of Kinta, Perak Darul Ridzuan	Leasehold expiring on 4-6-2074	Single storey office, factory and store	25	16,291/ 10,420	4,252
P.T. 59999, Mukim of Ulu Kinta, District of Kinta, Perak Darul Ridzuan	Leasehold expiring on 14-2-2046	Vacant land	-	5,054	732



LIST OF PROPERTIES – cont'd

AS AT DECEMBER 31, 2000

Location	Tenure	Current Use	Land/ Approximate Age of Building (Year)	Gross Floor Area (sq.metres)	Net Book Value RM'000
Lot Nos. 9399, and 10169, Mukim of Bidor, District of Batang, Batang Padang, Perak Darul Ridzuan	Leasehold expiring on 30-6-2046 and 5-7-2048 respectively	2-storey palm oil mill, office and factory warehouse	16	145,729/ 7,450	12,135
Lot No. 3262, Bidor Industrial Estate, Perak Darul Ridzuan	Leasehold expiring on 8-7-2056	Vacant land	-	27,446	1,014
P.T. 786, Mukim of Bidor, District of Batang Padang, Perak Darul Ridzuan	Leasehold expiring on 16-7-2042	Vacant land	-	40,763	962
Provisional Lease No. 066290168, Kg Nalapak, District of Ranau, Sabah	Leasehold expiring on 31-12-2080	Plantation, office, factory, warehouse and labour housing	19	8,314,820/ 12,790	16,963
Provisional Lease No. 066290168, Kg Nalapak, District of Ranau, Sabah	Leasehold expiring on 31-12-2080	Vacant agriculture land	-	16,148,424	3,191



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PROXY FORM



TWENTY-EIGHTH ANNUAL GENERAL MEETING

I/We _____
(Block Letters)

of _____

_____ (Full Address)
being a member/members of YEE LEE CORPORATION BHD., hereby appoint _____

of _____

or failing him, _____

of _____

as my/our proxy, to attend and vote for me/us on my/our behalf at the Twenty-Eighth Annual General Meeting of the Shareholders of the Company, to be held at Garlet 3, Casuarina Parkroyal Hotel, 18 Jalan Gopeng, 30250 Ipoh, Perak Darul Ridzuan, on Wednesday, June 27, 2001 at 11.00 a.m. and at any adjournment thereof.

With reference to the Agenda set out in the Notice of Meeting, please indicate with an 'X' in the spaces provided below how you wish your votes to be casted. In the absence of specific directions, your proxy will vote or abstain as he thinks fit.

		FOR	AGAINST
Resolution 1	Audited Accounts & Reports		
Resolution 2	First and final dividend		
Resolution 3	Directors' Fees		
Resolution 4	Re-elect Mr. Thang Lai Sung		
Resolution 5	Re-elect Mr. Chua Chee Seng, KMN, PPN		
Resolution 6	Re-appoint Messrs. Deloitte KassimChan (formerly known as Kassim Chan & Co.)		

Dated this June _____, 2001

Signature or Common Seal of Shareholder (s)

Number of Shares _____

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy or proxies (but not more than two) to attend and vote in his stead. If two proxies are appointed, the number of shares each proxy is entitled to vote must be stated in the proxy form. A proxy may but need not be a member of the Company.
2. Duly completed proxy forms must be deposited at the Registered Office of the Company, Lot 85, Jalan Portland, Tasek Industrial Estate, 31400 Ipoh, Perak Darul Ridzuan not less than 48 hours before the time for holding the meeting or any adjournment thereof.
3. If the appointor is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.

S T A M P

The Company Secretary
YEE LEE CORPORATION BHD.
Lot 85, Jalan Portland,
Tasek Industrial Estate,
31400 Ipoh,
Perak Darul Ridzuan
