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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-Ninth Annual General Meeting of Yee Lee Corporation Bhd. will be held at Garlet 3, Casuarina Parkroyal Hotel, 18 Jalan Gopeng, 30250 Ipoh, Perak Darul Ridzuan on Thursday, June 27, 2002 at 11.00 a.m. for the transaction of the following business:

1. To receive and adopt the Audited Financial Statements for the year ended December 31, 2001 together with the Directors' and Auditors' Reports thereon. Resolution 1
2. To sanction the declaration of a First and Final Dividend of 4.5 sen per share less income tax of 28% in respect of the financial year ended December 31, 2001. Resolution 2
3. To approve the payment of Directors' fees of RM58,000 in respect of the financial year ended December 31, 2001. Resolution 3
4. To re-elect the following Directors who retire pursuant to Article 80 of the Company's Articles of Association:
 - a. Mr. Lim A Heng @ Lim Kok Cheong Resolution 4
 - b. Mr. Chok Hooa @ Chok Yin Fatt Resolution 5
5. To re-appoint Messrs. Deloitte KassimChan as Auditors and to authorise the Directors to fix their remuneration. Resolution 6
6. As Special Businesses:
To consider and if thought fit, to pass the following Ordinary Resolutions:
 - 6.1 Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965

“THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange and that such authority shall continue in force until conclusion of the next Annual General Meeting of the Company.”

Resolution 7
 - 6.2 Authority to allot and issue shares pursuant to the Executive Share Option Scheme

“THAT pursuant to Section 132D of the Companies Act 1965 and the Articles of Association of the Company, The directors be and are hereby empowered to allot and issue such number of new ordinary shares of RM1.00 each in the capital of the Company as may be required to be issued pursuant to the exercise of options under the Executive Share Option Scheme which was approved by an Ordinary Resolution passed at the Extraordinary General Meeting of the Company on January 30, 2002.”

Resolution 8
 - 6.3 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature [The text of the above resolution together with the details of the Proposed Renewal of Mandate are set out in the Circular to Shareholders of Yee Lee Corporation Bhd. dated June 3, 2002.] Resolution 9

7. To transact any other business for which due notice has been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT DATES

NOTICE IS ALSO HEREBY GIVEN that a First and Final Dividend of 4.5 sen per share less income tax of 28% in respect of the financial year ended December 31, 2001, if approved by the shareholders at the Twenty-Ninth Annual General Meeting, will be paid on August 20, 2002 to shareholders whose names appear in the Record of Depositors at the close of business on August 5, 2002.

A depositor shall qualify for entitlement to the dividend only in respect of:

- a. Shares transferred into the depositor's securities account before 12.30 p.m. on August 5, 2002 in respect of ordinary transfers; and
- b. Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By order of the Board

Ooi Guat Ee (MIA 8042)
Chiang Sue Mai (MAICSA 7031742)
Company Secretaries

Ipoh, Perak Darul Ridzuan
June 3, 2002

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.

Explanatory Notes on Special Business:

Ordinary Resolution 7

1. The effect of Resolution 7 is to allow the Directors to issue shares in the Company up to an amount not exceeding in aggregate 10% of the issued share capital of the Company for the time being.

Ordinary Resolution 8

2. On January 30, 2002, the Shareholders of the Company had approved the Executive Share Option Scheme ("ESOS"). According to Section 132D of the Companies Act, 1965, the approval given by the Shareholders to the Directors of the Company to allot and issue shares pursuant to the ESOS expires at the forthcoming 2002 Annual General Meeting. As such, the Directors seek the Shareholders' renewed approval to allot and issue shares for the ESOS.

Ordinary Resolution 9

3. The effect of Resolution 9 is to renew the mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in section 2.4 of the Circular to Shareholders dated June 3, 2002.



Statement Accompanying Notice of Annual General Meeting

1. NAMES OF INDIVIDUALS WHO ARE STANDING FOR RE-ELECTION

- a. Mr. Lim A Heng @ Lim Kok Cheong
- b. Mr. Chok Hooa @ Chok Yin Fatt

All the abovenamed Directors are retiring by rotation in accordance with Article 80 of the Company's Articles of Association.

2. DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

Four Board Meetings were held during the financial year ended December 31, 2001. Details of attendance of Directors at the Board Meetings are as follows:

Name	Attendance
Y. Bhg. Dato (Dr) Haji Mohd. Ishak bin Hj. Mohd. Ariff	4 meetings
Mr. Lim A Heng @ Lim Kok Cheong	4 meetings
Mr. Chok Hooa @ Chok Yin Fatt	4 meetings
Mr. Thang Lai Sung	4 meetings
Mr. Chua Chee Seng	3 meetings
Encik Mohd Adhan bin Kechik	4 meetings
Mr. Lee Kee Hong	4 meetings
Y. Bhg. Dato' Ang Phaik Chin @ Ang Peck Chin (Resigned on March 23, 2001)	1 meeting

3. DATE, TIME AND PLACE OF BOARD MEETINGS

Date	Time	Place
Monday, February 26, 2001	12.10 p.m.	Registered Office Lot 85, Jalan Portland Tasek Industrial Estate 31400 Ipoh Perak Darul Ridzuan
Tuesday, May 29, 2001	11.50 a.m.	Registered Office Lot 85, Jalan Portland Tasek Industrial Estate 31400 Ipoh Perak Darul Ridzuan
Tuesday, August 28, 2001	12.05 p.m.	Registered Office Lot 85, Jalan Portland Tasek Industrial Estate 31400 Ipoh Perak Darul Ridzuan
Tuesday, November 27, 2001	11.55 a.m.	Registered Office Lot 85, Jalan Portland Tasek Industrial Estate 31400 Ipoh Perak Darul Ridzuan

4. DETAILS OF INDIVIDUALS WHO ARE STANDING FOR RE-ELECTION AS DIRECTORS

- a. Name : Mr. Lim A Heng @ Lim Kok Cheong
Age : 57
Nationality : Malaysian
Position in the Company : Deputy Chairman and Group Managing Director
- Qualification : Fellow member of Tunghai University, Taiwan
- Working experience and occupation : Mr. Lim A Heng @ Lim Kok Cheong is the founder of Yee Lee Corporation Bhd. and appointed as Managing Director of the Company on January 22, 1973. He has more than 37 years of experience in the trading and manufacturing of edible oils and consumer products industry.
- Mr. Lim A Heng @ Lim Kok Cheong is the Vice-President of Malaysian Basketball Association, President of Perak Basketball Association and Chairman of Poi Lam High School, Perak. He was formerly the President of Malaysian Eng Choon Association and is currently the President of Hock Kean Association, Perak branch.
- Other directorships in public companies : Spritzer Bhd.
Yee Lee Organization Bhd.
Hoklian Holdings Bhd.
- Securities holdings in the Company and its subsidiaries (as at April 29, 2002) : Mr. Lim A Heng @ Lim Kok Cheong has a direct interest of 200,000 ordinary shares and deemed interest of 33,700,732 ordinary shares in Yee Lee Corporation Bhd. He does not have any securities holdings in any subsidiaries of the Company.
- Family relationship with any director and/or major shareholder : Mr. Lim A Heng @ Lim Kok Cheong is the brother-in-law of Mr. Chua Chee Seng.
- Any conflict of interest : None
- List of convictions for offences within the past ten years : None



4. DETAILS OF INDIVIDUALS WHO ARE STANDING FOR RE-ELECTION AS DIRECTORS (cont'd)

- b. Name : Mr. Chok Hooa @ Chok Yin Fatt
Age : 55
Nationality : Malaysian
Position in the Company : Executive Director
- Qualification : Bachelor Degree in Business Studies from Curtin University of Technology, Australia
Master of Business Administration from University of Strathclyde, United Kingdom
Chartered Accountant of the Malaysian Institute of Accountants
Member of the Malaysian Association of Certified Public Accountants
Member of CPA Australia
Fellow member of the Institute of Chartered Secretaries and Administrators
- Working experience and occupation : 1974 to 1982 – UAC Berhad
1982 until todate – Mr. Chok Hooa @ Chok Yin Fatt joined Yee Lee Corporation Bhd. as a Chief Accountant and was appointed to the Board in 1990. He has extensive experience in the fields of financial management, accounting and corporate secretarial functions.
- Other directorships in public companies : Spritzer Bhd.
OKA Corporation Bhd.
Yee Lee Organization Bhd.
- Securities holdings in the Company and its subsidiaries (as at April 29, 2002) : 8,333 ordinary shares in Yee Lee Corporation Bhd.
Mr. Chok Hooa @ Chok Yin Fatt does not have any securities holdings in any subsidiaries of the Company.
- Family relationship with any director and/or major shareholder : None
- Any conflict of interest : None
- List of convictions for offences within the past ten years : None

Corporate Information

BOARD OF DIRECTORS

Independent Non-Executive 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
Mr. Lim A Heng @ Lim Kok Cheong, JP

Executive Directors
Mr. Chok Hooa @ Chok Yin Fatt, PMP
Mr. Thang Lai Sung

Non-Independent Non-Executive Director
Mr. Chua Chee Seng, KMN, PPN
Mr. Lee Kee Hong

Independent Non-Executive Director
Encik Mohd Adhan bin Kechik, SMK

COMPANY SECRETARIES

Ms. Ooi Guat Ee (MIA 8042)
Ms. Chiang Sue Mai (MAICSA 7031742)

AUDIT COMMITTEE

Chairman
Encik Mohd Adhan bin Kechik, SMK

Members
Y. Bhg. Dato (Dr) Haji Mohd. Ishak bin Hj. Mohd.
Ariff, DSPN, JSM, DJN, SMS, KMN, PPT, PJK
Mr. Chok Hooa @ Chok Yin Fatt, PMP

NOMINATION COMMITTEE

Chairman
Mr. Chua Chee Seng, KMN, PPN

Members
Y. Bhg. Dato (Dr) Haji Mohd. Ishak bin Hj. Mohd.
Ariff, DSPN, JSM, DJN, SMS, KMN, PPT, PJK
Encik Mohd Adhan bin Kechik, SMK

REMUNERATION COMMITTEE

Chairman
Mr. Chok Hooa @ Chok Yin Fatt, PMP

Members
Mr. Lee Kee Hong
Encik Mohd Adhan bin Kechik, SMK

AUDITORS

Deloitte KassimChan
Public Accountants

SHARE REGISTRARS

Sectrars Services Sdn. Bhd.
28-1, Jalan Tun Sambanthan 3
Brickfield
50470 Kuala Lumpur

Telephone : 603-22746133
Facsimile : 603-22741016

REGISTERED OFFICE

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

Telephone : 605-2911055, 605-2912055
Facsimile : 605-2919962, 605-2910862
Telex : YLO MA 44031 YLOIL MA 44556
E-mail : info@yeelee.com.my

SUBSIDIARY COMPANIES

Yee Lee Edible Oils Sdn. Bhd.
Yee Lee Trading Co. Sdn. Bhd.
South East Asia Paper Products Sdn. Bhd.
Yee Lee Palm Oil Industries Sdn. Bhd.
Sementra Plantations 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
Bumiputra-Commerce Bank Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING

Kuala Lumpur Stock Exchange

WEBSITE ADDRESS

www.yeelee.com.my



Profile of the Board of Directors

Y. BHG. DATO (DR) HAJI MOHD. ISHAK BIN HJ. MOHD. ARIFF

Age 66, Malaysian

Independent Non-Executive Chairman

Y. Bhg. Dato (Dr) Haji Mohd. Ishak bin Hj. Mohd. Ariff was appointed to the Board of Directors of Yee Lee Corporation Bhd. on March 2, 1993. He is a qualified Professional Chartered Town Planner from University of Durham, England and obtained his Professional Landscape Architect in 1973 from University of Newcastle-Upon-Tyne, England. He was honoured by the University of Newcastle-Upon-Tyne with the Honorary Degree of Doctor in Civil Law in May 1993. He had served in various State Governments and as a Director General of the Federal Department of Town and Country Planning Malaysia prior to his retirement in 1993. He has been a member of the Advisory Board of the City of Kuala Lumpur (Dewan Bandaraya Kuala Lumpur) since 1999.

Y. Bhg. Dato (Dr) Haji Mohd. Ishak bin Hj. Mohd. Ariff is a Fellow of the Royal Town Planning Institute London; Fellow of Malaysian Institute of Planners; and Fellow of Institute of Landscape Architects Malaysia.

Y. Bhg. Dato (Dr) Haji Mohd. Ishak bin Hj. Mohd. Ariff sits on the Boards of several public listed companies namely Public Bank Berhad, Public Finance Berhad, Faber Group Berhad and other public companies such as Public Merchant Bank Berhad and Kuala Lumpur Mutual Fund Berhad. He is also a member of the Audit Committee and Nomination Committee of Yee Lee Corporation Bhd.

Y. Bhg. Dato (Dr) Haji Mohd. Ishak bin Hj. Mohd. Ariff does not have any family relationship with any director and/or major shareholder of the Company. He has no conflict of interest and has had no convictions for any offences within the past ten years.

Y. Bhg. Dato (Dr) Haji Mohd. Ishak bin Hj. Mohd. Ariff attended all the four Board Meetings of the Company held in the financial year ended December 31, 2001.

MR. LIM A HENG @ LIM KOK CHEONG

Age 57, Malaysian

Deputy Chairman and Group Managing Director

Mr. Lim A Heng @ Lim Kok Cheong was appointed to the Board of Directors of Yee Lee Corporation Bhd. on January 10, 1973. He is a Fellow member of Tunghai University, Taiwan. He has more than 37 years of experience in the trading and manufacturing of edible oils and consumer products industry. He is the Vice-President of Malaysian Basketball Association, President of Perak Basketball Association and Chairman of Poi Lam High School. He was formerly the President of Malaysian Eng Choon Association and is currently the President of Hock Kean Association, Perak branch.

Mr. Lim A Heng @ Lim Kok Cheong is the Chairman of Spritzer Bhd. and Yee Lee Organization Bhd. He also serves on the Board of Hoklian Holdings Bhd.

Mr. Lim A Heng @ Lim Kok Cheong is the brother-in-law of Mr. Chua Chee Seng.

He has no conflict of interest and has had no convictions for any offences within the past ten years.

Mr. Lim A Heng @ Lim Kok Cheong attended all the four Board Meetings of the Company held in the financial year ended December 31, 2001.

MR. CHOK HOOA @ CHOK YIN FATT

*Age 55, Malaysian
Executive Director*

Mr. Chok Hooa @ Chok Yin Fatt was appointed to the Board of Directors of Yee Lee Corporation Bhd. on April 30, 1990. He holds a Bachelor Degree in Business Studies from Curtin University of Technology, Australia and Master of Business Administration from University of Strathclyde, United Kingdom. He is a Chartered Accountant of the Malaysian Institute of Accountants and members of the Malaysian Association of Certified Public Accountants and CPA Australia. He is also a fellow member of the Institute of Chartered Secretaries and Administrators.

Mr. Chok Hooa @ Chok Yin Fatt was attached to UAC Berhad during 1974 to 1982. In 1982, he joined Yee Lee Corporation Bhd. as a Chief Accountant and was promoted to the Board in 1990. He has extensive experience in the fields of financial management, accounting and corporate secretarial functions.

Currently, he sits on the Boards of Spritzer Bhd., OKA Corporation Bhd. and Yee Lee Organization Bhd. He is a member of the Audit Committee and the Option Committee of Yee Lee Corporation Bhd. Executive Share Option Scheme. He also serves as the Chairman of the Remuneration Committee of Yee Lee Corporation Bhd.

Mr. Chok Hooa @ Chok Yin Fatt does not have any family relationship with any director and/or major shareholder of the Company. He has no conflict of interest and has had no convictions for any offences within the past ten years.

Mr. Chok Hooa @ Chok Yin Fatt attended all the four Board Meetings of the Company held in the financial year ended December 31, 2001.

MR. THANG LAI SUNG

*Age 64, Malaysian
Executive Director*

Mr. Thang Lai Sung was appointed to the Board of Directors on January 10, 1973. He has more than 35 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 presently in charge of the general affairs of the Group.

Mr. Thang Lai Sung also sits on the Board of Yee Lee Organization Bhd.

Mr. Thang Lai Sung is actively involved in the social and community services. He is the Assistant Secretary-General of Poi Lam High School (Suwa), Perak for over ten years. He also serves as the Vice President of Perak Basketball Association, Treasurer of Perak Chinese Badminton Association, Vice Treasurer of Perak Han Kang Kong Hoey and a committee member of Perak Chinese Chamber of Commerce and Industry and Perak Chinese Assembly Hall.

Mr. Thang Lai Sung does not have any family relationship with the directors and/or major shareholder of the Company. He has no conflict of interest and has had no convictions for any offences within the past ten years.

Mr. Thang Lai Sung attended all the four Board Meetings of the Company held in the financial year ended December 31, 2001.



MR. CHUA CHEE SENG
Aged 67, Malaysian
Non-Independent Non-Executive Director

Mr. Chua Chee Seng was appointed to the Board of Directors on June 27, 1977. He is a prominent and well-respected businessman in the state of Kelantan Darul Naim and has more than 40 years of experience in the construction, property development and manufacturing sectors.

He is the Chairman of the Nomination Committee of the Company and the Option Committee of Yee Lee Corporation Bhd. Executive Share Option Scheme. He does not have any other directorships of public companies.

Mr. Chua Chee Seng is actively involved in social organizations. He is the Honorary Chairman of Chinese Chamber of Commerce Kelantan, Persatuan Hokkien Huay Kuan Kelantan and Persatuan Chin Kang Kelantan. He also serves as an advisor of Chung Hwa High School Kelantan and a director of Sekolah Menengah Chung Hwa Kelantan.

Mr. Chua Chee Seng is the brother-in-law of Mr. Lim A Heng @ Lim Kok Cheong.

Mr. Chua Chee Seng has no conflict of interest and has had no convictions for any offences within the past ten years.

Of the four Board Meetings of the Company held in the financial year ended December 31, 2001, Mr. Chua Chee Seng attended all meetings except for one for which he had extended his apologies.

ENCIK MOHD ADHAN BIN KECHIK
Age 46, Malaysian
Independent Non-Executive Director

Encik Mohd Adhan bin Kechik was appointed to the Board of Directors on March 2, 1993. He is a lawyer by profession. He graduated from University of Malaya in 1979 with a Bachelor of Laws (Honours) degree and obtained his Master of Laws degree from the same university in 1999. Currently, he is practising as a partner at Messrs. Adhan & Co. in Kuala Lumpur. Prior to setting up his own private practice in Kota Bharu, Kelantan Darul Naim in 1984, he was attached to the Legal and Judicial Department for five years from 1979 to 1983 serving in the Magistrate Court, High Court, Public Trustee's office and the 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 the Menteri Besar's political secretary from 1986 to 1990 and was elected as the State Assemblyman of Kemahang from 1995 to 1999.

Encik Mohd Adhan bin Kechik sits on the Boards of Spritzer Bhd. and Lembaga Kemajuan Kelantan Selatan (KESEDAR). He is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committees of Yee Lee Corporation Bhd.

Encik Mohd Adhan bin Kechik does not have any family relationship with the directors and/or major shareholder of the Company. He has no conflict of interest and has had no convictions for any offences within the past ten years.

Encik Mohd Adhan bin Kechik attended all the four Board Meetings of the Company held in the financial year ended December 31, 2001.

MR. LEE KEE HONG
Age 54, Malaysian
Non-Independent Non-Executive Director

Mr. Lee Kee Hong was appointed to the Board of Directors 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 and also sits on the Board of Crimson Land Berhad.

Mr. Lee Kee Hong is a member of the Remuneration Committee of the Company and the Option Committee of Yee Lee Corporation Bhd. Executive Share Option Scheme.

Mr. Lee Kee Hong does not have any family relationship with the directors and/or major shareholder of the Company. He has no conflict of interest and has had no convictions for any offences within the past ten years.

Mr. Lee Kee Hong attended all the four Board Meetings of the Company held in the financial year ended December 31, 2001.

Audit Committee Report

MEMBERSHIP

The composition of the Company's Audit Committee, appointed by the Board from amongst its members, comprises of three members of which two members are Independent Non-Executive Directors.

COMPOSITION

Chairman

Encik Mohd Adhan bin Kechik (Independent Non-Executive Director)

Members

Y. Bhg. Dato (Dr) Haji Mohd. Ishak bin Hj. Mohd. Ariff (Independent Non-Executive Chairman)
Appointed on March 23, 2001

Mr. Chok Hooa @ Chok Yin Fatt (Executive Director)

Y. Bhg. Dato' Ang Phaik Chin @ Ang Peck Chin (Independent Non-Executive Director)
Resigned on March 23, 2001

TERMS OF REFERENCE

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 :

- (a) review with the external auditors, the audit plan;
- (b) review with the external auditors, their evaluation of the system of internal accounting controls;
- (c) review with the external auditors, their audit report;
- (d) nominate a person or persons as external auditors;
- (e) review the scope, functions and resources of the internal audit functions;
- (f) review of the quarterly results and year end financial statements for recommendation to the Board of Directors for approval;
- (g) review any related party transactions that may arise within the Company and the Group;
- (h) perform such other functions as may be agreed to by the Committee and the Board.



MEETINGS

Five meetings were held during the financial year ended December 31, 2001 and the attendance of the members at the Audit Committee Meetings are as follows:

February 26, 2001
May 29, 2001
August 28, 2001
November 27, 2001
December 29, 2001

Name	Attendance
Encik Mohd Adhan bin Kechik	5 meetings
Y. Bhg. Dato (Dr) Haji Mohd. Ishak bin Hj. Mohd. Ariff	4 meetings
Mr. Chok Hooa @ Chok Yin Fatt	5 meetings
Y. Bhg. Dato' Ang Phaik Chin @ Ang Peck Chin (Resigned on March 23, 2001)	1 meeting

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the year, the Audit Committee had fulfilled its obligations as required under its terms of reference. The following is a summary of the main activities carried out by the Committee:

- (a) Reviewed and approved annual audit plan prepared by internal and external auditors;
- (b) Reviewed the internal and external auditors' reports and considered the major findings by the auditors and management's responses thereto;
- (c) Reviewed the quarterly and year end results of the Company and the Group prior to submission to the Board of Directors for consideration and approval; and
- (d) Reviewed the related party transactions entered into by the Company and the Group.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT DEPARTMENT

The functions of the Internal Audit Department (IAD) include independent assessments of the adequacy, efficiency and effectiveness of the Group's internal control system. The IAD also undertakes to conduct special audits from time to time as requested by the Management. Throughout the year, audit assignments which cover areas on assets management, cash collections and credit control, inventory, purchasing and sales, operations and internal quality control pertaining to ISO 9002 compliance were carried out on subsidiaries and associate companies. Audit reports incorporating the audit findings and recommendations for corrective actions on the systems and control weaknesses are presented to the Management concerned and thereafter to the Audit Committee for appraisal and review.

Statement on Corporate Governance

THE CODE

Pursuant to paragraph 15.26 of the Kuala Lumpur Stock Exchange (KLSE) Listing Requirements, a public listed company on the KLSE with financial year ending after June 30, 2001 is required to disclose in its annual report a narrative statement as to how it has applied the Principles of Corporate Governance as set out in Part 1 of the Malaysian Code on Corporate Governance (the Code) and the extent of its compliance with the best practices as stipulated in the Code.

The Board of Directors is committed to ensuring that the highest standards of corporate governance are practised throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder value.

Set out below is a description of how the Company has applied the Principles of Corporate Governance as set out in the Code :

PRINCIPLES OF CORPORATE GOVERNANCE

1. DIRECTORS

The Board

The Board currently comprises three Executive Directors and four Non-Executive Directors (including the Chairman) of which two are independent. The Directors bring to the Board a diverse range of knowledge and experience vital towards the effective leadership and continued success of the Group. A brief profile of each Director is presented on pages 8 to 10.

Board Balance

There is a clear division of responsibilities between the Chairman and the Managing Director of the Group to ensure a proper balance of power and authority. The Chairman is responsible for ensuring Board effectiveness and conduct whilst the Managing Director has overall responsibilities over organisational effectiveness and the implementation of Board policies and decisions. The Executive Directors are generally responsible for making and implementing operational decisions whilst the Non-Executive Directors play key supporting roles in contributing towards the formulation of policies and the decision making process.

The Board has committed to meet at least four times in a financial year, usually before the Quarterly Announcement to KLSE. Board meetings may be convened whenever the needs arise. During the financial year ended December 31, 2001, four Board meetings were held. The attendances of the respective Directors at the Board meetings are as follows:-

Name of Directors	Attendances
Y. Bhg. Dato (Dr) Haji Mohd. Ishak bin Hj. Mohd. Ariff	4 out of 4
Mr. Lim A Heng @ Lim Kok Cheong	4 out of 4
Mr. Chok Hooa @ Chok Yin Fatt	4 out of 4
Mr. Thang Lai Sung	4 out of 4
Mr. Chua Chee Seng	3 out of 4
Encik Mohd Adhan bin Kechik	4 out of 4
Mr. Lee Kee Hong	4 out of 4



1. DIRECTORS (cont'd)

Supply of Information

All Directors are provided with reports and other relevant information on a timely manner, covering various aspects of the Group's operations. This is to enable the Directors to participate actively in the overall management of the Company and to effectively discharge their duties and responsibilities.

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

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

(i) Audit Committee

The Audit Committee was established on April 11, 1994. Its composition and terms of reference are as set out on pages 11 to 12.

(ii) Nomination Committee

All Directors were previously involved in the process of assessing existing Directors and identifying, nominating, recruiting, appointing and orientating new Directors. The Board has reviewed this role and a Nomination Committee comprising three Non-Executive Directors was set up on January 22, 2002. The members of the Nomination Committee are as follows:-

Mr. Chua Chee Seng (Chairman)
Y. Bhg. Dato (Dr) Haji Mohd. Ishak bin Hj. Mohd. Ariff
Encik Mohd Adhan bin Kechik

(iii) Remuneration Committee

A Remuneration Committee comprising two Non-Executive Directors and an Executive Director was set up on January 22, 2002. The Committee is responsible for setting the policy framework and for making recommendations to the Board on all elements of the remuneration and other 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 members of the Remuneration Committee are as follows:-

Mr. Chok Hooa @ Chok Yin Fatt (Chairman)
Mr. Lee Kee Hong
Encik Mohd Adhan bin Kechik

(iv) Option Committee

The Group launched its Executive Share Option Scheme (ESOS) on March 18, 2002. The Option Committee was established on March 25, 2002 to administer the scheme in accordance with the objectives and regulations thereof and to determine participation eligibility, option offers and share allocations and to attend to such other matters as may be required. The members of the Option Committee are as follows:-

Mr. Chua Chee Seng (Chairman)
Mr. Chok Hooa @ Chok Yin Fatt
Mr. Lee Kee Hong

The Committee met once on March 25, 2002 and all Committee members attended the meeting.

1. DIRECTORS (cont'd)

Appointments to the Board

The newly formed Nomination Committee is responsible for making recommendations of new appointments to the Board. All newly appointed Directors will undergo a familiarisation programme, which includes visits to the Group's various offices and factory premises and meetings with senior management as appropriate. This is to facilitate their understanding of the Group's activities.

Re-election

In accordance with the Company's Articles of Association, all newly appointed Directors are subject to re-election by the shareholders at the first Annual General Meeting after their appointments. No new appointment was made for the year ended December 31, 2001.

In accordance with the Articles of Association, one third of the remaining Directors are required to retire by rotation at the Annual General Meeting held annually.

2. DIRECTORS' REMUNERATION

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

	Salaries RM'000	Fees RM'000	Bonus RM'000	Others RM'000	Total RM'000
Executive Directors	737	38	120	17	912
Non-Executive Directors	–	34	–	–	34

Directors' remuneration are broadly categorised into the following bands:

Range of remuneration	Number of Directors	
	Executive Directors	Non-Executive Directors
RM1 to RM50,000	–	4
RM50,001 to RM100,000	–	–
RM100,001 to RM150,000	1	–
RM150,001 to RM200,000	–	–
RM200,001 to RM250,000	–	–
RM250,001 to RM300,000	1	–
RM300,001 to RM350,000	–	–
RM350,001 to RM400,000	–	–
RM400,001 to RM450,000	1	–

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



3. SHAREHOLDERS

Shareholders are kept well informed of developments and performances of the Group through disclosures to the KLSE and press (where appropriate) as well as the Annual Report. The Annual Report contains all the necessary disclosures in addition to facts and figures about the Group.

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

The Group values dialogues with its shareholders, potential investors, institutional investors and analyst and is willing to meet up with anyone to explain or further clarify any information already disclosed in its Annual Report or KLSE announcements. The Board has identified Encik Mohd Adhan bin Kechik, an Independent Non-Executive Director, to answer any queries or clarify any matters concerning the Group. Shareholders may also contact the Company Secretaries for information at all times.

4. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to present a balanced, clear and meaningful assessment of the Company's and the Group's financial positions and prospects in all their reports to the shareholders, investors and regulatory authorities. This assessment is primarily provided in the Annual Report through the Chairman's Statement and the audited financial statements.

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

Internal Control

The Board acknowledges that it is responsible for maintaining a system of internal controls which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines.

The Group's system of internal controls is designed to provide reasonable but not absolute assurance against the risks of material errors, fraud or losses occurring. It is possible that internal control may be circumvented or overridden. Furthermore, because of changing circumstances and conditions, the effectiveness of an internal control system may vary from time to time. The rationale of the system of internal controls is to enable the Group to achieve its corporate objectives within an acceptable risk profile but it cannot be expected to eliminate all risks.

The Board is of the view that the Group's present system of internal controls is sufficient to safeguard the Group's interests. Nevertheless, it is currently taking steps towards formulating a risk management framework and working towards complying with the guidance issued by the Task Force on Internal Control.

4. ACCOUNTABILITY AND AUDIT (cont'd)

Relationship with Auditors

The Board has delegated the function of reviewing its relationship with the external auditors to the Audit Committee. The role of the Audit Committee in connection with its relationship with the external auditors is stated on page 11 to 12.

COMPLIANCE WITH BEST PRACTICES OF CORPORATE GOVERNANCE

The Group has complied with the Best Practices of Corporate Governance as set out in the Code throughout the financial year ended December 31, 2001 with the exception of the following :-

- The Nomination and Remuneration Committees were only set up after the financial year on January 22, 2002. Nevertheless, with the diverse mix of knowledge and experience of its Directors, the Board is of the opinion that its responsibilities related to these functions were properly discharged during the financial year; and
- The formulation of a risk management framework to identify, evaluate and manage the significant risks faced by the Group has yet to be finalised. However, the Board is of the opinion that any risks arising from its business operations during the financial year were adequately addressed with its system of internal controls in place.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 1965 (the Act) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group and their results and cash flows for that year.

The Directors consider that in preparing the financial statements for the year ended December 31, 2001 as set out on pages 31 to 59, the Group has used appropriate accounting policies, 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 the Group to enable them to ensure that the financial statements comply with the Act. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company to prevent and detect fraud and other irregularities.



Additional Compliance Information

1. SHARE BUYBACK

The Company has not purchased any of its own shares during the financial year ended December 31, 2001.

2. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES EXERCISED

The Yee Lee Corporation Bhd. Executive Share Option Scheme (ESOS) came into effect on March 18, 2002. However, until April 29, 2002, none of the ESOS has been exercised. The Company has not issued any warrants or convertible securities in respect of the financial year ended December 31, 2001.

3. AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMME

The Company does not sponsor any ADR or GDR programme.

4. SANCTIONS AND/OR PENALTIES IMPOSED

Since the end of the previous financial year, there were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies.

5. NON-AUDIT FEES PAID TO EXTERNAL AUDITORS

The amount of non-audit fees paid/payable to external auditors by the Company and its subsidiaries for the financial year ended December 31, 2001 amounts to RM9,700.

6. MATERIAL CONTRACTS OF THE COMPANY AND ITS SUBSIDIARIES, INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS, EITHER STILL SUBSISTING AT THE END OF THE FINANCIAL YEAR ENDED DECEMBER 31, 2001 OR, IF NOT THEN SUBSISTING, ENTERED INTO SINCE THE END OF THE PREVIOUS FINANCIAL YEAR

Type	Date	Parties	Purchase Consideration and Mode of Satisfaction
Sale and Purchase Agreement relating to the entire equity interest of Canpac Sdn. Bhd. comprising 3,600,000 ordinary shares of RM1.00 each	August 20, 2001	<u>Vendors</u> Yee Lee Holdings Sdn. Bhd. Leong Meng Sung Wong Hung Chow Kwai Soo Wong Chan Pong Tan Shew Chu Chang Yong Hua <u>Purchaser</u> Yee Lee Corporation Bhd.	Cash consideration of RM11,520,000

Type	Date	Parties	Purchase Consideration and Mode of Satisfaction
Sale and Purchase Agreement relating to the entire equity interest of Palker Sdn. Bhd. comprising 400,000 ordinary shares of RM1.00 each	August 20, 2001	<u>Vendor</u> Yee Lee Holdings Sdn. Bhd. <u>Purchaser</u> Yee Lee Palm Oil Industries Sdn. Bhd.	Cash consideration of RM400,000
Sale and Purchase Agreement relating to the entire equity interest of Mini Motors Sdn. Bhd. comprising 90,000 ordinary shares of RM1.00 each	August 20, 2001	<u>Vendor</u> Jebong Housing Development Sdn. Bhd. <u>Purchaser</u> Yee Lee Trading Co. Sdn. Bhd.	Cash consideration of RM400,000
Sale and Purchase Agreement relating to a piece of leasehold industrial land in Kelantan Darul Naim measuring 8,094 sq. metres	August 20, 2001	<u>Vendor</u> Yee Lee Trading Co. (Kelantan) Sdn. Bhd. <u>Purchaser</u> Yee Lee Trading Co. Sdn. Bhd.	Cash consideration of RM430,000
Sale and Purchase Agreement relating to 7 pieces of freehold plantation land in Perak Darul Ridzuan measuring 75.2375 acres	August 20, 2001	<u>Vendor</u> Batang Padang Oil Palm Sdn. Bhd. <u>Purchaser</u> Sementra Plantations Sdn. Bhd.	Cash consideration of RM750,000
Sale and Purchase Agreement relating to 19 pieces of freehold plantation land in Perak Darul Ridzuan measuring 96.25625 acres	August 20, 2001	<u>Vendor</u> Palker Oil Industries Sdn. Bhd. <u>Purchaser</u> Sementra Plantations Sdn. Bhd.	Cash consideration of RM1,630,000
Sale and Purchase Agreement relating to a piece of leasehold industrial land in Perak Darul Ridzuan measuring 24,101 sq. metres	August 20, 2001	<u>Vendor</u> Palker Oil Industries Sdn. Bhd. <u>Purchaser</u> Yee Lee Palm Oil Industries Sdn. Bhd.	Cash consideration of RM700,000
Sale and Purchase Agreement relating to 44 pieces of freehold plantation land in Perak Darul Ridzuan measuring 556.625 acres	August 20, 2001	<u>Vendor</u> Yee Lee Plantations Sdn. Bhd. <u>Purchaser</u> Sementra Plantations Sdn. Bhd.	Cash consideration of RM5,900,000



Relationship between the Directors or Major Shareholders and the Contracting Parties

Mr. Lim A Heng @ Lim Kok Cheong, is a director and major shareholder of YLC through his direct and deemed interest in the Company. His deemed interest in YLC arises through his major shareholding in Young Wei Holdings Sdn. Bhd. (YW) which has 62.45% equity interest in Yeleta Holdings Sdn. Bhd., which in turn has 62.23% and 49.99% equity interest in Unikampar Credit & Leasing Sdn. Bhd. (UCL) and Uniyelee Sdn. Bhd. (formerly known as Uniyelee Bhd.) (UYL) respectively. UCL and UYL in turn have 47.35% and 17.85% (of which 0.87% is indirectly held through Uniyelee Insurance Agencies Sdn. Bhd.) equity interest in Yee Lee Organization Bhd. (YLO). YLO is the holding company of YLC with a 53.57% equity interest. Based on the above, Mr. Lim A Heng @ Lim Kok Cheong is also a deemed major shareholder of YLO. By virtue of his interest in YW, Mr. Lim A Heng @ Lim Kok Cheong is also deemed to have an interest in the shares of YW's subsidiary companies to the extent that YW have interests.

Yee Lee Holdings Sdn. Bhd. (YLH)

1. Mr. Lim A Heng @ Lim Kok Cheong, a director and major shareholder of YLC, is a director and major shareholder of YLH, a wholly owned subsidiary of YLO.
2. Mr. Thang Lai Sung, a director and shareholder of YLC is a director of YLH.
3. YLO, a major shareholder of YLC, is the holding company of YLH and YLC.

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

1. Mr. Lim A Heng @ Lim Kok Cheong, a director and major shareholder of YLC, is a director and major shareholder of YLPOI, a wholly owned subsidiary of YLC.
2. Mr. Thang Lai Sung, a director and shareholder of YLC is a director of YLPOI.
3. Mr. Chok Hooa @ Chok Yin Fatt, a director and shareholder of YLC is a director of YLPOI.
4. YLO, a major shareholder of YLC, is the ultimate holding company of YLPOI, a wholly owned subsidiary of YLC.

Jebong Housing Development Sdn. Bhd. (JHD)

1. Mr. Lim A Heng @ Lim Kok Cheong, a director and major shareholder of YLC, is a director and major shareholder of JHD, a wholly owned subsidiary of YLO.
2. YLO, a major shareholder of YLC, is the holding company of JHD.

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

1. Mr. Lim A Heng @ Lim Kok Cheong, a director and major shareholder of YLC, is a director and major shareholder of YLT, a wholly owned subsidiary of YLC.
2. YLO, a major shareholder of YLC, is the ultimate holding company of YLT, a wholly owned subsidiary of YLC.

Yee Lee Trading Co. (Kelantan) Sdn. Bhd. (YLK)

1. Mr. Lim A Heng @ Lim Kok Cheong, a director and major shareholder of YLC, is a major shareholder of YLK, a wholly owned subsidiary of JHD.
2. YLO, a major shareholder of YLC, is the ultimate holding company of YLK, a wholly owned subsidiary of JHD.

Batang Padang Oil Palm Sdn. Bhd. (BPOP)

1. Mr. Lim A Heng @ Lim Kok Cheong, a director and major shareholder of YLC, is a major shareholder of BPOP, a wholly owned subsidiary of JHD.
2. Mr. Thang Lai Sung, a director and shareholder of YLC is a director of BPOP.
3. YLO, a major shareholder of YLC, is the ultimate holding company of BPOP, a wholly owned subsidiary of JHD.

Palker Oil Industries Sdn. Bhd. (POI)

1. Mr. Lim A Heng @ Lim Kok Cheong, a director and major shareholder of YLC, is a major shareholder of POI, a wholly owned subsidiary of JHD.
2. YLO, a major shareholder of YLC, is the ultimate holding company of POI, a wholly owned subsidiary of JHD.

Sementra Plantations Sdn. Bhd. (SP)

1. Mr. Lim A Heng @ Lim Kok Cheong, a director and major shareholder of YLC, is a major shareholder of SP, a wholly owned subsidiary of YLPOI.
2. YLO, a major shareholder of YLC, is the ultimate holding company of SP, a wholly owned subsidiary of YLPOI.

Yee Lee Plantations Sdn. Bhd. (YLP)

1. Mr. Lim A Heng @ Lim Kok Cheong, a director and major shareholder of YLC, is a major shareholder of YLP, a wholly owned subsidiary of JHD.
2. YLO, a major shareholder of YLC, is the ultimate holding company of YLP, a wholly owned subsidiary of JHD.

Paragraph 21, Part A, Appendix 9C of the Listing Requirements of the Kuala Lumpur Stock Exchange is not applicable as the above contracts do not relate to loan.

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report of Yee Lee Corporation Bhd. for the financial year ended December 31, 2001.



MAJOR CORPORATE DEVELOPMENTS

On July 16, 2001, the Group's subsidiary, Yee Lee Palm Oil Industries Sdn. Bhd. (YLPOI) completed the acquisition of 100% equity interest in Sementra Plantations Sdn. Bhd. (SMP). Subsequently on August 20, 2001, the Group announced that its subsidiary company, YLPOI had proposed to acquire a piece of industrial land located in the vicinity of YLPOI's factory in Bidor, Perak, to facilitate future expansion. As at to date, the acquisition is still pending completion.



On August 20, 2001, the Group announced that its subsidiary company, SMP had proposed to acquire several plantation lands located in the District of Batang Padang and Kinta. This is part of the Group's strategies to expand its operation upstream which will synergise the activities of the Group through reduced dependence on external raw materials suppliers. This will also enable the Group to have better control over its raw materials in terms of better quality, prompt deliveries and cost reduction. As at to date, the acquisition is still pending completion.

On August 20, 2001, the Company had announced a bonus issue on the basis of two new ordinary shares of RM1.00 each for every three existing shares held and an Executive Share Option Scheme (ESOS). The bonus issue was completed with the quotation and listing of 25,046,000 new ordinary shares on March 18, 2002 and the ESOS was also launched on the same date.

As part of the Group's expansionary and diversification plans, the Group had on August 20, 2001 announced to acquire 100% equity interest in Palker Sdn. Bhd. (PK), Canpac Sdn. Bhd. (CP) and Mini Motors Sdn. Bhd. (MM). PK is involved in palm oil refinery which is similar to the activities of one of the Group's subsidiary companies, Yee Lee Edible Oils Sdn. Bhd.. The acquisition of PK will enable the Group to enlarge its manufacturing capacities to position itself for future growth. CP is involved in the printing and manufacturing of tin cans, aerosol cans and lithographed metal printed cans. The acquisition of CP provides an opportunity for the Group to expand and diversify its business base and still provide long-term growth potential and stable earnings. MM owns a property which is currently rented to Yee Lee Trading Co. Sdn. Bhd. (YLT) to facilitate its marketing and distribution in the Northern region. The acquisition of MM is to enable YLT to have better control of its operations. The acquisitions of PK and MM were completed on March 12, 2002 whilst the acquisition of CP was completed on March 30, 2002.

On August 20, 2001, the Group announced that its subsidiary company, YLT had proposed to acquire a piece of industrial land in Kelantan. The acquisition is to enable future expansion of its Kelantan branch operations. As at to date this acquisition is still pending completion.

On January 30, 2002, the shareholders had approved the above proposals at the Extraordinary General Meeting.



FINANCIAL PERFORMANCE

For the financial year under review, the Group recorded a revenue of RM230.46 million representing a decrease of 9.2% over the previous year. As a result, Group pre-tax profit decreased from RM10.27 million in the preceding year to RM8.35 million. However the Group was able to maintain its profit attributable to shareholders at RM6.41 million as compared to RM6.49 million in the preceding year.

DIVIDEND

The directors are pleased to recommend a first and final dividend of 4.5 sen per share less tax on the enlarged share capital of 62.62 million (2000: 7.0 sen per share less tax) for the year ended December 31, 2001. The dividend, if approved, will be paid on August 20, 2002.

REVIEW OF OPERATIONS

The Company

The Company recorded a revenue and pre-tax profit of RM5.36 million and RM4.46 million respectively (2000: RM5.68 million and RM20.08 million). The significant decrease in the pre-tax profit this year 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. to Spritzer Bhd. in the previous year.

The Subsidiary Companies

Yee Lee Edible Oils Sdn. Bhd. (YLEO)

YLEO recorded a revenue and pre-tax profit of RM87.94 million and RM3.34 million respectively (2000: RM109.23 million and RM4.01 million). The slow recovery of the Malaysian economy coupled with the global downtrend has drastically affected consumer spending. Consumers have become more cost-conscious and selective resulting in intense competition among cooking oil manufacturers. However YLEO was able to maintain its profit margin mainly due to its product differentiation by way of producing better quality cooking oil. YLEO continues to exercise firm control over its product quality, production efficiency and cost in order to maintain its competitive advantage over its competitors.





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

The year 2001 was a challenging year for the Palm Oil industry. The huge carryover of stock at the beginning of the year and the glut in the world oils and fats market have badly affected the crude palm oil price. As a result, both YLPOI revenue and profit were affected.

YLPOI revenue decreased by 27.0% to RM53.05 million whilst its pre-tax profit decreased by 74.8% to RM0.60 million. YLPOI will continue its efforts to reduce cost whilst increasing production yield and efficiency to remain profitable. During the year, the Government undertook several measures to reduce the stock build up and to improve on the palm oil price by increasing export of palm oil, implementing replanting programmes and encouraging the use of palm oil as fuel. This has resulted in the recovery of palm oil price in the last quarter of year 2001.



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

The growth in SEAPP, being one of the corrugated paper carton manufacturer in the packaging industry, is highly correlated to the growth of the manufacturing sector which in turn is dependent on the state of the economy. As a result, SEAPP revenue decreased by 3.1% from RM24.09 million to RM23.35 million. However pre-tax profit increased by 13.4% to RM3.56 million. The improvement in SEAPP performance was



due mainly to its strong customer service and support which is well established to ensure prompt delivery of superior quality products and better services to enhance customer satisfaction. Continuous efforts have also been undertaken by SEAPP to further improve on its production efficiency, cost, services and quality to maintain its competitive edge over its competitors. With its existing well diversified customer base from various industries and strong sales and marketing team, SEAPP is well positioned to capture the opportunities that may arise once the economy recovers.

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

YLT recorded a revenue and pre-tax profit of RM149.37 million and RM1.22 million respectively (2000: RM161.32 million and RM3.43 million). During the year, YLT conducted extensive advertisement and promotion activities to promote its range of existing products and the launching of new products namely the "MorningKiss Feather" toothbrush and "MorningKiss Tea Tree Oil" toothpaste. This is part of YLT's efforts to create and maintain awareness of its



range of products among consumers. YLT is currently undertaking various measures to further improve on its distribution networks by expanding its warehouses to provide faster deliveries to its customers.



Desa Tea Sdn. Bhd. (DT)

DT recorded a revenue and pre-tax loss of RM1.88 million and RM0.81 million respectively (2000: RM1.41 million and RM1.17 million). Despite the fierce competition in the tea industry, DT was able to increase its revenue by exploring the export markets. DT will continue to undertake various cost control measures and aggressive marketing strategies to enhance its revenue and profitability.



Sabah Tea Sdn. Bhd. (ST)

ST has recently commenced operation of providing tourism related services. There are still no immediate plans to develop the agriculture land it owns in the District of Ranau, Sabah, measuring approximately 3,219 acres.



FUTURE PROSPECTS

The Directors expect the Group's operating environment to remain challenging and competitive, especially in the cooking oil sector. The Group will continue to take appropriate steps to reduce cost and enhance productivity and efficiency. Barring any unforeseen and adverse circumstances, the Board believes that the Group's performance in year 2002 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
Chairman

April 8, 2002



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, 2001.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

The principal activities of the subsidiary companies are disclosed in Note 11 to the Financial Statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies except for a subsidiary company, Sabah Tea Sdn. Bhd., which has commenced operations in tourism related service activities during the financial year.

RESULTS OF OPERATIONS

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

	The Group RM'000	The Company RM'000
Profit before tax	8,350	4,457
Income tax expense	(1,902)	(1,219)
Profit after tax	6,448	3,238
Minority interest	(33)	–
Net profit for the year	<u>6,415</u>	<u>3,238</u>

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 7.0 sen per share, less tax, amounting to RM1,893,478 in respect of ordinary shares proposed in previous financial year and dealt with in the previous directors' report was paid by the Company during the current financial year.

The directors proposed a first and final dividend of 4.5 sen per share, less tax, amounting to RM2,028,726 (based on the enlarged ordinary share capital of the Company after the bonus issue as disclosed in Note 27 to the Financial Statements) in respect of the current financial year.

This dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the Financial Statements.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

SHARE OPTIONS

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

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

OTHER FINANCIAL INFORMATION

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

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate provision have 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 provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year and secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year other than those disclosed in Note 26 to the Financial Statements.

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 succeeding financial year other than those disclosed in Note 27 to the Financial Statements.



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
Mr. Lim A Heng @ Lim Kok Cheong
Mr. Chok Hooa @ Chok Yin Fatt
Mr. Thang Lai Sung
Mr. Chua Chee Seng
Encik Mohd Adhan bin Kechik
Mr. Lee Kee Hong

In accordance with Article 80 of the Company's Articles of Association, Messrs. Lim A Heng @ Lim Kok Cheong and Chok Hooa @ Chok Yin Fatt 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 in RM1 each			Balance as of 31.12.2001
	Balance as of 1.1.2001	Bought	Sold	
Shares in the Company				
Registered in the name of directors				
Y. Bhg. Dato (Dr) Haji Mohd. Ishak bin Hj. Mohd. Ariff	562,000	–	–	562,000
Mr. Lim A Heng @ Lim Kok Cheong	55,000	–	–	55,000
Mr. Chok Hooa @ Chok Yin Fatt	5,000	–	–	5,000
Mr. Thang Lai Sung	5,000	–	–	5,000
Encik Mohd Adhan bin Kechik	100,000	–	–	100,000
Mr. Lee Kee Hong	5,000	–	–	5,000
Indirect interest by virtue of shares held by companies in which a director has interest				
Mr. Lim A Heng @ Lim Kok Cheong	19,458,000	387,000	–	19,845,000
Shares in holding company, Yee Lee Organization Bhd.				
Registered in the name of directors				
Mr. Lim A Heng @ Lim Kok Cheong	2,751	–	–	2,751
Mr. Thang Lai Sung	1,716	–	–	1,716
Mr. Chua Chee Seng	1,088	–	–	1,088
Mr. Lee Kee Hong	11,550	–	–	11,550
Indirect interest by virtue of shares held by companies in which a director has interest				
Mr. Lim A Heng @ Lim Kok Cheong	6,839,904	440,000	–	7,279,904

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

Mr. Chua Chee Seng 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 the benefit included in the aggregate of emoluments received or due and receivable by directors as disclosed in the financial statements or the fixed salary of a full-time employee of the Company) 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 6 and 17 to the Financial Statements.

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

HOLDING COMPANY

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

AUDITORS

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

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

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

MR. CHOK HOOA @ CHOK YIN FATT
Executive Director

Ipoh,
April 8, 2002



Report of the Auditors to the Members of Yee Lee Corporation Bhd.

We have audited the accompanying balance sheets as of December 31, 2001 and 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 of the Company as of December 31, 2001 and of the results and the cash flows of the Group and of 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.

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 11 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
Chartered Accountants

WONG GUANG SENG

787/3/03(J/PH)
Partner

April 8, 2002

Income Statements

For the Year Ended December 31, 2001

	Note	The Group		The Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Revenue	4	230,463	253,890	5,356	5,680
Other operating income	6	2,963	3,074	-	-
Purchase of finished and trading goods		(67,720)	(72,593)	-	-
Changes in inventories of finished and trading goods and work-in-progress		1,287	5,449	-	-
Raw materials and consumables used		(104,207)	(119,638)	-	-
Staff costs		(16,899)	(18,428)	-	-
Depreciation of property, plant and equipment		(4,910)	(6,230)	-	-
Amortisation of goodwill		(112)	(112)	-	-
Other operating expenses	6	(28,543)	(27,233)	(390)	(710)
Profit from operations		12,322	18,179	4,966	4,970
Finance costs	7	(5,246)	(5,887)	(48)	-
Share of profits of an associated company		1,735	535	-	-
Gain/(Loss) on disposal of a subsidiary company		-	(2,561)	-	15,115
Expenses relating to corporate exercise		(461)	-	(461)	-
Profit before tax		8,350	10,266	4,457	20,085
Income tax expense:	8				
The Company and its subsidiary companies		(1,761)	(3,530)	(1,219)	(1,496)
Share of tax of an associated company		(141)	(71)	-	-
		(1,902)	(3,601)	(1,219)	(1,496)
Profit after tax		6,448	6,665	3,238	18,589
Minority interest		(33)	(178)	-	-
Net profit for the year		6,415	6,487	3,238	18,589
Earnings per ordinary share					
Basic (sen)	9	17.1	17.3		
Diluted (sen)	9	17.1	17.3		

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



Balance Sheets

As of December 31, 2001

	Note(s)	The Group		The Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
ASSETS					
Property, plant and equipment	10	123,521	113,028	–	–
Investments in subsidiary companies	11	–	–	43,350	43,350
Investments in associated companies	12	22,319	22,898	20,262	22,434
Other investments	13	3,721	267	3,454	–
Goodwill on consolidation	14	2,444	2,555	–	–
Current Assets					
Inventories	15	32,932	32,512	–	–
Trade receivables	16&17	39,116	43,896	–	–
Amount owing by ultimate holding company	17	15,354	15,900	–	–
Amount owing by subsidiary companies	17	–	–	18,953	18,800
Amount owing by other related companies	17	34,729	31,480	–	–
Other receivables and prepaid expenses	16&17	9,154	13,001	2,562	2
Tax recoverable		613	74	65	74
Cash and bank balances		2,422	3,305	22	21
		134,320	140,168	21,602	18,897
Current Liabilities					
Trade payables	17	27,536	22,332	–	–
Other payables and accrued expenses	17	11,805	11,661	77	65
Amount owing to other related companies	17	1,798	445	–	–
Hire-purchase payables	17&18	380	437	–	–
Borrowings	19	90,066	97,556	2,631	–
Tax liabilities		1,506	1,090	–	–
Proposed dividend	23	–	1,894	–	1,894
		133,091	135,415	2,708	1,959
Net Current Assets		1,229	4,753	18,894	16,938
		153,234	143,501	85,960	82,722
Long-term and Deferred Liabilities					
Hire-purchase payables – non-current portion	17&18	170	349	–	–
Borrowings – non-current portion	19	5,812	1,232	–	–
Deferred tax liabilities	20	4,678	5,780	–	–
		(10,660)	(7,361)	–	–
		(212)	(193)	–	–
Minority interests					
Net Assets		142,362	135,947	85,960	82,722
Represented by:					
Issued capital	21	37,569	37,569	37,569	37,569
Reserves	22	104,793	98,378	48,391	45,153
Shareholders' Equity		142,362	135,947	85,960	82,722

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

Statements of Changes In Equity

For the Year Ended December 31, 2001

The Group	Note	Issued Capital RM'000	Non-distributable Reserves		Reserve on Consolidation RM'000	Distributable	Total Shareholders' Equity RM'000
			Share Premium RM'000	Revaluation Reserve RM'000		Reserve Unappropriated Profit RM'000	
Balance as of January 1, 2000		37,569	4,979	25,351	509	62,946	131,354
Realisation of revaluation reserve on disposal of a subsidiary company		–	–	(4,417)	–	4,417	–
Net profit for the year		–	–	–	–	6,487	6,487
Dividend	23	–	–	–	–	(1,894)	(1,894)
Balance as of December 31, 2000		37,569	4,979	20,934	509	71,956	135,947
Net profit for the year		–	–	–	–	6,415	6,415
Balance as of December 31, 2001		37,569	4,979	20,934	509	78,371	142,362

The Company	Note	Issued Capital RM'000	Non-distributable Reserves		Distributable Reserve Unappropriated Profit RM'000	Total Shareholders' Equity RM'000
			Share Premium RM'000	Revaluation Reserve RM'000		
Balance as of January 1, 2000		37,569	4,979	3,220	20,259	66,027
Realisation of revaluation reserve on disposal of a subsidiary company		–	–	(958)	958	–
Net profit for the year		–	–	–	18,589	18,589
Dividend	23	–	–	–	(1,894)	(1,894)
Balance as of December 31, 2000		37,569	4,979	2,262	37,912	82,722
Net profit for the year		–	–	–	3,238	3,238
Balance as of December 31, 2001		37,569	4,979	2,262	41,150	85,960

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



Cash Flow Statement

For the Year Ended December 31, 2001

	Note	The Group	
		2001 RM'000	2000 RM'000
CASH FLOWS FROM/(USED IN)			
OPERATING ACTIVITIES			
Profit before tax		8,350	10,266
Adjustments for:			
Depreciation of property, plant and equipment		4,910	6,230
Finance costs		5,246	5,887
Provision for doubtful debts		680	400
Bad debts written off		229	176
Loss on disposal of shares in an associated company		210	23
Amortisation of goodwill on consolidation		112	112
Property, plant and equipment written off		94	18
Inventories written off		5	17
Share of profits of an associated company		(1,735)	(535)
Interest income		(1,422)	(1,581)
Gain on disposal of property, plant and equipment		(123)	(93)
Dividend income		(1)	–
Loss on disposal of a subsidiary company		–	2,561
		<hr/>	
Operating Profit Before Working Capital Changes		16,555	23,481
(Increase)/Decrease in:			
Inventories		(425)	(6,560)
Trade receivables		3,871	(4,947)
Other receivables, deposits and prepayments		3,847	(3,218)
Amount owing by ultimate holding company		546	88
Amount owing by other related companies		(3,249)	(5,535)
Amount owing by an associated company		–	1,863
Increase/(Decrease) in:			
Trade payables		5,204	8,638
Other payables and accrued expenses		136	(840)
Amount owing to other related companies		1,353	(663)
		<hr/>	
Cash From Operations		27,838	12,307
Finance costs paid		(5,238)	(5,870)
Interest income received		1,422	1,581
Income tax paid		(2,984)	(1,612)
		<hr/>	
Net Cash From Operating Activities		21,038	6,406
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Proceeds from disposal of a subsidiary company, net of cash and cash equivalents disposed	11	–	6,234
Proceeds from disposal of shares in an associated company		1,565	1,666
Proceeds from disposal of property, plant and equipment		358	237
Acquisition of shares in an associated company		(3,057)	(944)
Purchase of property, plant and equipment		(15,467)	(13,764)
Purchase of other investments		–	(20)
		<hr/>	
Net Cash Used In Investing Activities		(16,601)	(6,591)

	Note	The Group	
		2001 RM'000	2000 RM'000
CASH FLOWS FROM/(USED IN)			
FINANCING ACTIVITIES			
Proceeds from/(Repayment of) short-term bank borrowings		(12,660)	2,961
Proceeds from term loan		6,126	1,500
Proceeds from hire-purchase loans		–	33
Dividend paid		(1,894)	(1,894)
Repayment of term loans		(463)	(1,019)
Repayment of hire-purchase loans		(503)	(2,020)
Dividend received		1	–
Dividend paid to minority shareholders		(14)	(6)
Net Cash Used In Financing Activities		(9,407)	(445)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(4,970)	(630)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		(15,823)	(15,193)
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	(20,793)	(15,823)

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



	The Company	
	2001	2000
Note	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	4,457	20,085
Adjustments for:		
Loss on disposal of shares in an associated company	210	23
Finance costs	48	–
Dividend income	(5,356)	(5,664)
Gain on disposal of a subsidiary company	–	(15,115)
Interest income	–	(16)
	<hr/>	<hr/>
Operating Loss Before Working Capital Changes	(641)	(687)
(Increase)/Decrease in:		
Other receivables and prepaid expenses	(2,560)	–
Amount owing by subsidiary companies	(153)	(5,365)
Amount owing by an associated company	–	1,864
Increase/(Decrease) in:		
Other payables and accrued expenses	12	1
Amount owing to subsidiary companies	–	(794)
	<hr/>	<hr/>
Cash Used In Operations	(3,342)	(4,981)
Dividends received	4,146	4,202
Interest income received	–	16
Finance costs paid	(48)	–
Income tax paid	–	(45)
	<hr/>	<hr/>
Net Cash From/(Used In) Operating Activities	756	(808)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Proceeds from disposal of shares in an associated company	1,565	1,666
Acquisition of shares in an associated company	(3,057)	(944)
Proceeds from disposal of a subsidiary company	–	1,994
	<hr/>	<hr/>
Net Cash From/(Used In) Investing Activities	(1,492)	2,716
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from revolving credits	1,500	–
Dividend paid	(1,894)	(1,894)
	<hr/>	<hr/>
Net Cash Used In Financing Activities	(394)	(1,894)
	<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,130)	14
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	21	7
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	24 (1,109)	21

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

Notes to the Financial Statements

1. PRINCIPAL ACTIVITIES

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 Company is principally involved in investment holding.

The principal activities of the subsidiary companies are disclosed in Note 11.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies except for a subsidiary company, Sabah Tea Sdn. Bhd., which has commenced operations in tourism related service activities during the financial year.

The total number of employees of the Group and of the Company as of December 31, 2001 were 978 (2000: 991) and Nil (2000: Nil) respectively.

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

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of 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.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Revenue

Sales of goods are recognised upon delivery of products and when the risks and rewards of ownership has passed. Sales represent gross invoiced value of goods sold and services provided net of sales tax, trade discounts and allowances.

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

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

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.



3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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
Issued capital	– at historical rate
Revenue and expenses	– at average rate

The closing rates per unit of Ringgit Malaysia used in the translation of foreign incorporated subsidiary's financial statements are as follows:

Currency	2001	2000
Hong Kong Dollar	2.077	2.080

All translation gains or losses are taken up and reflected in the translation reserve account under shareholders' equity. Such translation gains or losses are recognised as income or expenses in the income statements, in the period in which the operations is disposed of.

Difference in exchange arising from the translation of the opening net investments in foreign subsidiary companies, and from the translation of the results of those companies at the average exchange rate, are taken to translation reserve account.

Deferred Taxation

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 net deferred tax assets, the tax effects are recognised generally on actual realisation.

Property, Plant and Equipment

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

Land and buildings stated at valuation are revalued at regular intervals of at least once in every five years by the directors based on the valuation reports of independent professional valuers using the "open market value on existing use" basis with additional valuation in the intervening years where market conditions indicate that the carrying values of the revalued assets differ materially from the market value.

An increase in the carrying amount arising from revaluation of property, plant and equipment is credited to the revaluation reserve account as revaluation surplus. Any deficit arising from revaluation is charged against the revaluation reserve account to the extent of a previous surplus held in the revaluation reserve account for the same asset. In all other cases, a decrease in carrying amount is charged to income statements. An increase in revaluation directly related to a previous decrease in carrying amount for that same asset that was recognised as an expense, is credited to income statements to the extent that it offsets the previously recorded decrease.

Gains or losses arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in the income statements. On disposal of revalued assets, the amounts in revaluation reserve account relating to the assets disposed are transferred to unappropriated profit account.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

All other property, plant and equipment are depreciated on a reducing balance method to their residual values at rates based on the estimated useful lives of the various assets.

The annual depreciation rates are as follows:

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

Property, Plant and Equipment Acquired Under Hire-Purchase Arrangements

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

Leased Assets

Assets under leases which in substance transfer the risks and benefits of ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding lease obligations are recorded at the fair value of the leased assets which approximates the present value of the minimum lease payments, at the beginning of the respective lease terms.

Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statements over the term of the relevant lease period so as to give a constant periodic rate of charge on the remaining balance of the obligations for each accounting period. All other leases which do not meet such criteria are classified as operating leases and the related rentals are charged to the income statements as incurred.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and of the subsidiary companies controlled by the Company made up to December 31, 2001.

A subsidiary company is a company in which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Subsidiary companies are consolidated using the acquisition method of accounting. On acquisition, the assets and liabilities of the relevant subsidiary companies are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.



3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

Associated Companies

An associated company is a non-subsiary company in which the Group or the Company holds not less than 20% of the equity voting rights as long-term investment 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 latest audited or management financial statements of the associated companies made up to December 31, 2001. Under this method of accounting, the Group's interest in the post-acquisition profits and reserves 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.

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

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 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. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Receivables

Trade and other receivables are stated at nominal value as reduced by the appropriate provisions for estimated irrecoverable amounts. 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 statements.

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

4. REVENUE

	The Group		The Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Sale of goods	230,463	253,874	–	–
Dividend income	–	–	5,356	5,664
Interest income	–	16	–	16
	230,463	253,890	5,356	5,680

5. SEGMENT REPORTING

	Revenue RM'000	Profit/(Loss) Before Tax RM'000	Total Assets Employed RM'000
2001			
Manufacturing	74,565	4,935	140,942
Trading	155,894	1,200	90,858
Non-segment items	4	480	54,525
Associated company	–	1,735	–
	230,463	8,350	286,325
2000			
Manufacturing	83,263	7,857	142,986
Trading	170,611	3,349	82,786
Non-segment items	16	(1,475)	53,144
Associated company	–	535	–
	253,890	10,266	278,916

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.

6. OTHER OPERATING INCOME/(EXPENSES)

Included in other operating income/(expenses) are the following:

	The Group		The Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Interest received on:				
Advances to related companies	1,422	1,565	–	–
Advances to an associated company	–	14	–	14
Others	–	2	–	2
Rental of premises	237	248	–	–
Gain on disposal of property, plant and equipment	123	93	–	–
Income from rental of hot and cold dispensers	105	148	–	–
Bad debts recovered	19	137	–	–
Rental of motor vehicles	4	–	–	–
Dividend received (gross)	1	–	–	–
Provision for doubtful debts no longer required	1	3	–	–
Realised gain/(loss) on foreign exchange	13	(237)	–	(238)
Directors' remuneration:				
Directors of the Company:				
Fees	(72)	(69)	(58)	(50)
Other emoluments	(730)	(710)	–	–
Directors of the subsidiary companies:				
Fees	(15)	(28)	–	–
Other emoluments	(379)	(416)	–	–
Provision for doubtful debts	(680)	(400)	–	–
Rental of premises	(244)	(196)	–	–
Bad debts written off	(229)	(176)	–	–
Loss on disposal of shares in an associated company	(210)	(23)	(210)	(23)
Hire of machinery	(119)	(128)	–	–
Audit fee:				
Current	(112)	(116)	(5)	(5)
(Under)/Over provision in prior year	1	(5)	–	–
Property, plant and equipment written off	(94)	(18)	–	–
Inventories written off	(5)	(17)	–	–
Rental of bulking facilities	(36)	(86)	–	–
Lease rentals	–	(6)	–	–

7. FINANCE COSTS

	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Interest on:				
Bank overdrafts	1,898	1,825	1	–
Revolving credits	1,373	1,229	47	–
Bankers' acceptances	1,325	1,715	–	–
Trust receipts	307	383	–	–
Long-term loans	224	119	–	–
Hire-purchase	109	600	–	–
Export credit facilities	10	16	–	–
	5,246	5,887	48	–

8. INCOME TAX EXPENSE

	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Estimated tax payable in Malaysia:				
Current	2,486	3,205	1,205	1,496
Under provision in prior year	377	3	14	–
Deferred tax (Note 20)	(1,102)	322	–	–
Share of tax of an associated company	141	71	–	–
	1,902	3,601	1,219	1,496

The effective tax rate of the Group in 2001 is lower than the statutory tax rate due mainly to utilisation of reinvestment allowances claimed under Schedule 7A of the Income Tax Act, 1967 by a subsidiary company.

The effective tax rate of the Group in 2000 is higher than the statutory tax rate due mainly to certain expense items have been considered as non-deductible for tax purposes.

The provision for taxation of the Company in 2001 relates to dividend income. The provision for taxation of the Company in 2000 relates to dividend and interest income.

9. EARNINGS PER ORDINARY SHARE

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

	The Group	
	2001	2000
	RM'000	RM'000
Net profit attributable to ordinary shareholders	6,415	6,487
Number of ordinary shares	37,569	37,569
Basic/Diluted earnings per share (sen)	17.1	17.3



10. PROPERTY, PLANT AND EQUIPMENT

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	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	–	–	1	31,858
At cost	4,167	413	–	(1)	4,579
Short-term leasehold land:					
At 1998 valuation	2,135	–	–	–	2,135
Buildings:					
At 1998 valuation	29,889	–	–	(8)	29,881
At cost	3,320	7,956	–	8	11,284
Electricity and water supply system:					
At 1995 valuation	95	–	–	–	95
At cost	63	–	–	–	63
Electricity and water supply system under hire-purchase	79	–	–	–	79
Plant and machinery:					
At 1995 valuation	1,002	–	–	–	1,002
At cost	44,962	4,943	(236)	2,990	52,659
Plant and machinery under hire-purchase	240	116	–	–	356
Motor vehicles:					
At 1995 valuation	255	–	–	–	255
At cost	10,111	112	(325)	811	10,709
Motor vehicles under hire-purchase	1,715	262	–	(811)	1,166
Furniture, fixtures and equipment	8,442	1,382	(760)	–	9,064
Plantation development expenditure	1,904	418	–	–	2,322
Capital work-in-progress	3,307	131	–	(2,990)	448
Total	155,670	15,733	(1,321)	–	170,082

10. PROPERTY, PLANT AND EQUIPMENT (cond't)

The Group	← Accumulated Depreciation →				← Net Book Value →		
	At beginning of year RM'000	Charge for the year RM'000	Disposals RM'000	Reclassification RM'000	At end of year RM'000	At beginning of year RM'000	At end of year 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	79	39	–	–	118	3,191	3,152
At 1998 valuation	1,042	428	–	(11)	1,459	30,815	30,399
At cost	133	81	–	11	225	4,034	4,354
Short-term leasehold land:							
At 1998 valuation	114	52	–	–	166	2,021	1,969
Buildings:							
At 1998 valuation	2,007	678	–	(9)	2,676	27,882	27,205
At cost	141	236	–	9	386	3,179	10,898
Electricity and water supply system:							
At 1995 valuation	33	6	–	–	39	62	56
At cost	16	5	–	–	21	47	42
Electricity and water supply system under hire-purchase	3	7	–	–	10	76	69
Plant and machinery:							
At 1995 valuation	444	61	–	–	505	558	497
At cost	26,671	1,941	(209)	–	28,403	18,291	24,256
Plant and machinery under hire-purchase	25	39	–	–	64	215	292
Motor vehicles:							
At 1995 valuation	177	15	–	–	192	78	63
At cost	7,430	535	(274)	497	8,188	2,681	2,521
Motor vehicles under hire-purchase	568	268	–	(497)	339	1,147	827
Furniture, fixtures and equipment	3,759	618	(607)	–	3,770	4,683	5,294
Plantation development expenditure	–	–	–	–	–	1,904	2,322
Capital work-in-progress	–	–	–	–	–	3,307	448
Total	42,642	5,009	(1,090)	–	46,561	113,028	123,521

10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

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

	The Group	
	2001	2000
	RM'000	RM'000
Depreciation of property, plant and equipment	99	83
Interest on:		
Bank overdrafts	20	28
Hire-purchase	2	1
Audit fee:		
Current	2	2
Overprovision in prior year	(1)	-

Certain freehold land, leasehold land and improvements, buildings, electricity and water supply system, plant and machinery and motor vehicles of the subsidiary companies were revalued by the directors in 1995 and 1998 based on valuations carried out by independent firm of professional valuers using the "Open Market Value" basis.

The tax effect relating to the surplus on revaluation of property, plant and equipment has not been disclosed or provided for as the directors of the subsidiary companies 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. INVESTMENTS IN SUBSIDIARY COMPANIES

	The Company	
	2001	2000
	RM'000	RM'000
Unquoted shares:		
At directors' valuation	19,850	19,850
At cost	23,500	23,500
Total	43,350	43,350

The subsidiary companies are as follows:

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2001	2000	
		%	%	
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.

11. INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2001 %	2000 %	
South East Asia Paper Products Sdn. Bhd. *	Malaysia	98.67	98.67	Manufacturing and selling of corrugated paper cartons.
Intanwasa Sdn. Bhd.	Malaysia	100.00	100.00	Investment holding.
Desa Tea Sdn. Bhd.	Malaysia	100.00	100.00	Planting, processing and distribution of tea.
Sabah Tea Sdn. Bhd.	Malaysia	100.00	100.00	Tourism related services.
Sementra Plantations Sdn. Bhd.	Malaysia	100.00	–	Pre-operating.
Genlin Investment Limited **	Hong Kong	100.00	100.00	Pre-operating.

* 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.

During the financial year, Yee Lee Palm Oil Industries Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into an agreement to acquire 100% equity interest in Sementra Plantations Sdn. Bhd.. The acquisition was completed on July 16, 2001.

The effect of this acquisition on the financial results of the Group for the year is as follows:

Post-acquisition results of the subsidiary company acquired:

	2001 RM'000
Revenue	–
Operating expenses	(1)
Loss before tax	(1)
Income tax expense	–
Decrease in Group profit attributable to shareholders	<u>(1)</u>

The effect of this acquisition on the financial position of the Group as at year end is as follows:

	Unaudited July 16, 2001 RM'000
Net assets acquired as at date of acquisition:	
Other payables and accrued expenses	(1)
Goodwill on consolidation	1
Cash flow on acquisition, net of cash acquired	<u>–</u>



11. INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

During the financial year ended December 31, 2000, the Company disposed of its entire shareholdings in Golden PET Industries Sdn. Bhd. for a total consideration of RM19,942,991. The effect of this disposal on the financial results of the Group as at date of disposal is as follows:

	Unaudited June 30, 2000 RM'000
Revenue	10,336
Operating expenses	(8,152)
Profit from operations	2,184
Finance costs	(845)
Profit before tax	1,339
Income tax expense	(41)
Profit after tax	1,298
Minority interest	(148)
Decrease in the Group profit attributable to shareholders	1,150

The effect of this disposal on the financial position of the Group as at date of disposal is as follows:

	Unaudited June 30, 2000 RM'000
Net assets disposed as at date of disposal:	
Property, plant and equipment	33,287
Inventories	4,410
Trade receivables	790
Other receivables and prepaid expenses	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 payables	(3,202)
Borrowings	(12,307)
Tax liabilities	(19)
Term loans	(1,564)
Deferred tax liability	(1,307)
Minority interest	(2,894)
Net assets disposed	22,504
Loss on disposal	(2,561)
Net value of disposal	19,943
Less : Consideration satisfied by way of shares issued by the associated company	(17,949)
Total cash consideration	1,994
Less : Cash and bank balances	(10)
Add : Bank overdrafts	4,250
Cash flow on disposal, net of cash and cash equivalents disposed	6,234

12. INVESTMENTS IN ASSOCIATED COMPANIES

	The Group		The Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Company accounted for under equity method of accounting:				
Quoted shares				
– at cost	20,262	17,205	20,262	17,205
Share of post-acquisition results	2,057	464	–	–
	22,319	17,669	20,262	17,205
Company not accounted for under equity method of accounting:				
Unquoted shares				
– at cost	–	5,229	–	5,229
	22,319	22,898	20,262	22,434
Market value of quoted shares	20,267	19,016	20,267	19,016

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

	The Group	
	2001 RM'000	2000 RM'000
Share of net assets	23,426	18,370
Reserve on acquisition	(1,107)	(701)
	22,319	17,669

Significant transactions between the Company and its associated company during the financial year comprise interest on advances amounting to RM Nil (2000: RM14,377).

The associated companies are as follows:

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2001 %	2000 %	
Bestbuild Development Pte. Ltd. *	Singapore	–	30.07	Building construction and property development.
Spritzer Bhd.	Malaysia	23.63	20.00	Investment holding.

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

During the financial year, the Company disposed of 10.21% equity interest in Bestbuild Development Pte. Ltd. for a consideration of RM1,565,193. Upon disposal, Bestbuild Development Pte. Ltd. ceased to be an associated company and the investment has been reclassified to other investments.

13. OTHER INVESTMENTS

	The Group		The Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Quoted shares in Malaysia, at cost	20	20	–	–
Unquoted shares in Malaysia, at cost	247	247	–	–
Unquoted shares outside Malaysia, at cost	3,454	–	3,454	–
	3,701	247	3,454	–
	3,721	267	3,454	–
Market value of quoted shares	25	24	–	–

14. GOODWILL ON CONSOLIDATION

	The Group	
	2001 RM'000	2000 RM'000
Goodwill:		
At beginning of year	2,808	2,808
Goodwill arising from acquisition of a subsidiary company (Note 11)	1	–
At end of year	2,809	2,808
Cumulative amortisation:		
At beginning of year	253	141
Current amortisation	112	112
At end of year	(365)	(253)
Net	2,444	2,555

15. INVENTORIES

	The Group	
	2001 RM'000	2000 RM'000
At cost:		
Finished goods and trading merchandise	21,258	20,227
Work-in-progress	173	145
Raw materials	4,801	5,583
Consumables	744	567
Factory supplies	1,395	1,407
Promotional stocks	801	464
Goods-in-transit	2,939	3,089
At net realisable value:		
Finished goods	821	1,030
Total	32,932	32,512

16. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

	The Group		The Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade receivables	43,591	47,975	–	–
Provision for doubtful debts	(4,475)	(4,079)	–	–
	39,116	43,896	–	–
Other receivables	6,595	10,807	1,408	–
Provision for doubtful debts	(45)	(45)	–	–
	6,550	10,762	1,408	–
Refundable deposits	1,702	1,147	1,153	–
Prepaid expenses	902	1,092	1	2
Net	9,154	13,001	2,562	2

17. 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 ultimate holding company arose mainly from trade transactions and advances which are unsecured, interest-free and have no fixed terms of repayment.

The amount owing by subsidiary companies arose mainly from advances and expenses paid on behalf which are unsecured, interest-free and have no fixed repayment terms.

The amount owing by/(to) other related companies arose mainly from trade transactions, advances and expenses paid on behalf which are unsecured and have no fixed terms of repayment. Certain advances granted to other related companies bear interest rates ranging from 8% to 9% (2000: 9%) per annum.

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

Names of related parties	Relationship
Multibase Systems Sdn. Bhd.	<ul style="list-style-type: none"> – A company in which Mr. Lim A Heng @ Lim Kok Cheong, a director of the Company, has substantial financial interest. – A company in which Madam Chua Shok Tim @ Chua Siok Hoon, a director of a subsidiary company, has substantial financial interest. – A company in which Mr. Lee Kon Cheng and Mr. Cheng Chao Sing, directors of subsidiary companies, are directors.

17. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS (cont'd)

Names of related parties	Relationship
Unikampar Credit & Leasing Sdn. Bhd.	– A company in which Mr. Lim A Heng @ Lim Kok Cheong, a director of the Company, is a director and has substantial financial interest.
	– A company in which Mr. Thang Lai Sung and Mr. Chua Chee Seng, directors of the Company, are directors.
	– A company in which Madam Chua Shok Tim @ Chua Siok Hoon, a director of a subsidiary company, has substantial financial interest.
Angenet Sdn. Bhd. Golden PET Industries Sdn. Bhd. Manimore Resources Sdn. Bhd. Transport Master Sdn. Bhd. Unipon Enterprise Sdn. Bhd.	– A company in which Mr. Lim A Heng @ Lim Kok Cheong, a director of the Company, has substantial financial interest.
	– A company in which Madam Chua Shok Tim @ Chua Siok Hoon, a director of a subsidiary company, has substantial financial interest.
	– A company in which Mr. Lim A Heng @ Lim Kok Cheong, a director of the Company, has substantial financial interest.
	– A company in which Madam Chua Shok Tim @ Chua Siok Hoon, a director of a subsidiary company, is a director and has substantial financial interest.
Chuan Sin Cactus Sdn. Bhd. Chuan Sin Sdn. Bhd. Uniyelee Insurance Agencies Sdn. Bhd.	– A company in which Mr. Lim A Heng @ Lim Kok Cheong, a director of the Company, has substantial financial interest.
	– A company in which Madam Chua Shok Tim @ Chua Siok Hoon, a director of a subsidiary company, is a director and has substantial financial interest.
Intan Serantau Sdn. Bhd.	– A company in which Mr. Lim A Heng @ Lim Kok Cheong, a director of the Company, has substantial financial interest.
	– A company in which Madam Chua Shok Tim @ Chua Siok Hoon, a director of a subsidiary company, has substantial financial interest.
	– A company in which Mr. Cheng Chao Sing, a director of a subsidiary company, is a director.

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

	The Group		The Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Ultimate holding company				
Purchase of goods	6,601	8,592	–	–
Sales of goods	6,563	8,547	–	–
Rental received on premises	24	24	–	–
Subsidiary companies				
Dividend received (gross)	–	–	5,356	5,664

17. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS (cont'd)

	The Group		The Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Other related companies				
Sales of goods	14,650	8,952	-	-
Purchase of goods	13,677	18,014	-	-
Sales of steam	1,991	2,718	-	-
Interest on advances received/receivable	1,422	1,565	-	-
Purchase of computer software and hardware and provision of services	259	150	-	-
Transport charges received	212	47	-	-
Rental on premises received	60	60	-	-
Rental on premises payable	18	18	-	-
Professional fees received	11	-	-	-
Other related parties				
Multibase Systems Sdn. Bhd. Secretarial and accounting fee payable	43	42	4	4
Uniyelee Insurance Agencies Sdn. Bhd. Insurance premium payable	931	968	2	2
Unipon Enterprise Sdn. Bhd. Purchase of goods	103	287	-	-
Transport charges received	1	-	-	-
Manimore Resources Sdn. Bhd. Sales of goods	-	100	-	-
Unikampar Credit & Leasing Sdn. Bhd. Hire-purchase loans received	266	780	-	-
Interest on hire-purchase loans paid	109	600	-	-
Sales of goods	2	-	-	-
Golden PET Industries Sdn. Bhd. Purchase of goods	9,152	6,800	-	-
Transport charges received	123	48	-	-
Commission receivable	57	-	-	-
Sales of goods	31	24	-	-
Chuan Sin Cactus Sdn. Bhd. Purchase of goods	3,907	-	-	-
Transport charges received	1	-	-	-
Chuan Sin Sdn. Bhd. Purchase of goods	27,258	14,608	-	-
Sales of goods	3,802	2,037	-	-
Transport charges received/ receivable	458	224	-	-
Professional fee receivable	9	-	-	-



17. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS (cont'd)

	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Angenet Sdn. Bhd.				
Purchase of goods	248	–	–	–
Sales of goods	196	–	–	–
Transport Master Sdn. Bhd.				
Contract wages payable	1,025	970	–	–
Intan Serantau Sdn. Bhd.				
Contract wages payable	761	727	–	–

The outstanding balances from related party transactions are as follows

	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Receivables:				
Included in trade receivables	770	821	–	–
Included in other receivables and prepaid expenses	104	1,669	–	–
Payables:				
Included in trade payables	10,076	4,475	–	–
Included in other payables and accrued expenses	204	260	6	3
Included in hire-purchase payables	550	721	–	–

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

18. HIRE-PURCHASE PAYABLES

	The Group	
	2001	2000
	RM'000	RM'000
Principal outstanding	550	786
Less: Amount due within 12 months (shown under current liabilities)	(380)	(437)
Non-current portion	170	349

18. HIRE-PURCHASE PAYABLES (cont'd)

The non-current portion is repayable as follows:

	The Group	
	2001 RM'000	2000 RM'000
Financial years ending December 31:		
2002	–	274
2003	131	75
2004	18	–
2005	21	–
	170	349

The average term for hire-purchase is about 2 to 4 years. For the financial year ended December 31, 2001, the average effective borrowing rates were 11.83% to 17.26% (2000: 12.39% to 17.26%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

19. BORROWINGS

	The Group		The Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Unsecured:				
Bank overdrafts	23,215	19,128	1,131	–
Term loans	7,119	1,455	–	–
Revolving credits	21,500	31,000	1,500	–
Bankers' acceptances	38,597	39,566	–	–
Trust receipts	5,447	7,639	–	–
	95,878	98,788	2,631	–
Less: Amount due within 12 months (shown under current liabilities)	(90,066)	(97,556)	(2,631)	–
Non-current portion	5,812	1,232	–	–

The non-current portion is repayable as follows:

	The Group		The Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Financial years ending December 31:				
2002	–	214	–	–
2003	1,289	214	–	–
2004	1,289	214	–	–
2005	1,289	214	–	–
2006	1,079	214	–	–
2007 and above	866	162	–	–
	5,812	1,232	–	–

The bank overdrafts and other credit facilities are guaranteed by the Company as disclosed in Note 26 to the Financial Statements.

The above facilities bear average effective interest rates ranging from 3.08% to 9.30% (2000: 3.15% to 9.30%) per annum during the year.



20. DEFERRED TAX LIABILITIES

	The Group	
	2001 RM'000	2000 RM'000
At beginning of year	5,780	6,765
Transfer (to)/from income statement (Note 8)	(1,102)	322
Disposal of a subsidiary company	–	(1,307)
At end of year	4,678	5,780

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

As mentioned in Note 3, the effects of timing differences which would give rise to net deferred tax assets are recognised generally on actual realisation. As of December 31, 2001, the amount of estimated net deferred tax assets of the Group calculated at applicable tax rate which is not recognised in the financial statements, is as follows:

	Deferred Tax Assets/ (Liabilities) The Group	
	2001 RM'000	2000 RM'000
Tax effects of:		
Timing differences between tax capital allowances and book depreciation of property, plant and equipment	(650)	(680)
Unutilised tax losses and unabsorbed agricultural and capital allowances	10,033	9,737
	9,383	9,057

The unutilised tax losses are subject to agreement by the tax authorities.

All timing differences of the Group have been accounted for as they are expected to reverse in the foreseeable future.

21. SHARE CAPITAL

	The Group and The Company	
	2001 RM'000	2000 RM'000
Authorised: 100,000,000 ordinary shares of RM1 each	100,000	100,000
Issued and fully paid: 37,569,000 ordinary shares of RM1 each	37,569	37,569

22. RESERVES

	The Group		The Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Non-distributable reserves:				
Share premium	4,979	4,979	4,979	4,979
Revaluation reserve	20,934	20,934	2,262	2,262
Reserve on consolidation	509	509	–	–
	26,422	26,422	7,241	7,241
Distributable reserves:				
Unappropriated profit	78,371	71,956	41,150	37,912
	104,793	98,378	48,391	45,153

Share premium

Share premium arose from the following:

	The Group and The Company	
	2001 RM'000	2000 RM'000
Exercise of Executive Share Options of 154,000 ordinary shares issued at a premium of RM5.95 per ordinary share in 1997	916	916
Private placement of 3,415,000 ordinary shares issued at a premium of RM1.26 per ordinary share in 1998, net of share issue expense of RM240,043	4,063	4,063
	4,979	4,979

Reserve on consolidation

The 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.

Revaluation reserve

The revaluation reserve is used to record increase and decrease in revaluation of non-current assets, as described in the accounting policies. This amount arose from the revaluation of certain freehold land, leasehold land and improvements, buildings, electricity and water supply system, plant and machinery and motor vehicles as disclosed in Note 10.

Unappropriated profit

Distributable reserves are those available for distribution by way of dividends. Based on the prevailing tax rate applicable to dividends and the estimated tax credit and tax-exempt account balances, the unappropriated profit of the Company as of December 31, 2001 is available for distribution by way of cash dividends without additional tax liabilities being incurred. Any dividends declared and proposed out of the aforesaid tax-exempt account will be tax-exempted in the hands of the shareholders.

23. DIVIDENDS

	The Group and The Company	
	2001	2000
	RM'000	RM'000
First and final dividend		
– Nil for 2001, 7.0 sen per share less tax for 2000	–	1,894

A first and final dividend of 7.0 sen per share, less tax, amounting to RM1,893,478 in respect of ordinary shares proposed in previous financial year and dealt with in the previous directors' report was paid by the Company during the year.

The directors proposed a first and final dividend of 4.5 sen per share, less tax, amounting to RM2,028,726 (based on the enlarged ordinary share capital of the Company after the bonus issue as disclosed in Note 27) in respect of the current financial year.

This dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the Financial Statements.

Net dividend per share proposed during the year is 3.2 sen (2000: 5.0 sen).

24. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	2,422	3,305	22	21
Bank overdrafts	(23,215)	(19,128)	(1,131)	–
	(20,793)	(15,823)	(1,109)	21

25. COMMITMENTS

	The Group	
	2001	2000
	RM'000	RM'000
Capital expenditure:		
Approved and not contracted for	133	71
Approved, contracted but not provided for	827	3,765
	960	3,836

26. CONTINGENT LIABILITIES (UNSECURED)

	The Company	
	2001	2000
	RM'000	RM'000
Guarantees for borrowings of subsidiary companies	277,259	290,596

27. SUBSEQUENT EVENTS

The shareholders approved the following proposals at the Extraordinary General Meeting held on January 30, 2002:

- (a) An increase in the issued and paid-up ordinary share capital of the Company from RM37,569,000 to RM62,615,000 by way of a bonus issue of 25,046,000 new ordinary shares of RM1 each through the capitalisation of RM4,979,000 from the share premium account and RM20,067,000 from the unappropriated profit account on the basis of two (2) new ordinary shares for every three (3) existing ordinary shares held. The bonus issue was completed with the quotation and listing of 25,046,000 bonus shares on March 18, 2002.
- (b) An establishment of new Executive Share Option Scheme (ESOS) for the benefits of eligible Executive Directors and executives of the Company and its subsidiary companies. The ESOS was launched on March 18, 2002.
- (c) Acquisition by the Company of 3,600,000 ordinary shares of RM1 each representing 100% equity interest in Canpac Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM11,520,000. The acquisition was completed on March 30, 2002.
- (d) Acquisition by a subsidiary company, Yee Lee Palm Oil Industries Sdn. Bhd. of 400,000 ordinary shares of RM1 each representing 100% equity interest in Palker Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM400,000. The acquisition was completed on March 12, 2002.
- (e) Acquisition by a subsidiary company, Yee Lee Trading Co. Sdn. Bhd. of:
 - 90,000 ordinary shares of RM1 each representing 100% equity interest in Mini Motors Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM400,000. The acquisition was completed on March 12, 2002.
 - A piece of leasehold industrial land for a total cash consideration of RM430,000 from Yee Lee Trading Co. (Kelantan) Sdn. Bhd..
- (f) Acquisition by a subsidiary company, Yee Lee Palm Oil Industries Sdn. Bhd. of a piece of leasehold industrial land for a cash consideration of RM700,000 from Palker Oil Industries Sdn. Bhd.
- (g) Acquisition by a subsidiary company, Sementra Plantations Sdn. Bhd. of:
 - (i) 7 pieces of freehold plantation land for a cash consideration of RM750,000 from Batang Padang Oil Palm Sdn. Bhd.;
 - (ii) 19 pieces of freehold plantation land for a cash consideration of RM1,630,000 from Palker Oil Industries Sdn. Bhd.; and
 - (iii) 44 pieces of freehold plantation land for a cash consideration of RM5,900,000 from Yee Lee Plantations Sdn. Bhd.



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 of the Company as of December 31, 2001 and of the results of their businesses and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a resolution of the Directors,

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

MR. CHOK HOOA @ CHOK YIN FATT
Executive Director

Ipoh,
April 8, 2002

Declaration by the Director Primarily Responsible for the Financial Management of the Company

I, **MR. LIM A HENG @ LIM KOK CHEONG**, 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

Subscribed and solemnly declared by the abovenamed **MR. LIM A HENG @ LIM KOK CHEONG** at **IPOH** this 8th day of April, 2002

Before me,

R. SARJEET LAL, PJK
COMMISSIONER FOR OATHS
Ipoh

Shareholding Statistics Report

As at April 29, 2002

SHARE CAPITAL

Authorised Share Capital	:	RM100,000,000.00
Issued and fully paid-up share capital	:	RM62,615,000.00
Class of Shares	:	Ordinary shares of RM1.00 each
Voting Rights	:	1 vote per ordinary share
Number of shareholders	:	2,337

ANALYSIS OF SHAREHOLDINGS

Size of shareholdings	Number of shareholders	Number of shares	Percentage (%)
Less than 1,000	18	9,638	0.01
1,000 to 10,000	2,118	7,133,211	11.39
10,001 to 100,000	178	4,869,283	7.78
100,001 to less than 5% of issued shares	21	9,523,635	15.21
5% and above of issued shares	2	41,079,233	65.61
Total	2,337	62,615,000	100.00

SUBSTANTIAL SHAREHOLDERS

Name of substantial shareholder	Direct interest	Percentage (%)	Deemed interest	Percentage (%)
1. Yee Lee Organization Bhd.	33,545,732	53.57	—	—
2. Lembaga Tabung Haji	8,855,000	14.14	—	—
3. Lim A Heng @ Lim Kok Cheong	200,000	0.32	33,700,732 ^a	53.82
4. Chua Shok Tim @ Chua Siok Hoon	155,000	0.25	33,745,732 ^b	53.89
5. Unikampar Credit & Leasing Sdn. Bhd.	—	—	33,545,732 ^c	53.57
6. Uniyelee Sdn. Bhd. (formerly known as Uniyelee Bhd.)	—	—	33,545,732 ^d	53.57
7. Yeleta Holdings Sdn. Bhd.	—	—	33,545,732 ^e	53.57
8. Young Wei Holdings Sdn. Bhd.	—	—	33,545,732 ^f	53.57

- ^a. Deemed interest by virtue of substantial shareholding in Young Wei Holdings Sdn. Bhd. and by virtue of being the spouse of Chua Shok Tim @ Chua Siok Hoon.
- ^b. Deemed interest by virtue of substantial shareholding in Young Wei Holdings Sdn. Bhd. and by virtue of being the spouse of Lim A Heng @ Lim Kok Cheong.
- ^c. Deemed interest by virtue of substantial shareholding in Yee Lee Organization Bhd.
- ^d. Deemed interest by virtue of substantial shareholding in Yee Lee Organization Bhd.
- ^e. Deemed interest by virtue of substantial shareholding in Unikampar Credit & Leasing Sdn. Bhd. and Uniyelee Sdn. Bhd. (formerly known as Uniyelee Bhd.)
- ^f. Deemed interest by virtue of substantial shareholding in Yeleta Holdings Sdn. Bhd.



LIST OF THIRTY LARGEST SHAREHOLDERS

Name of shareholder	Number of shares	Percentage (%)
1. Yee Lee Organization Bhd.	32,624,233	52.10
2. Lembaga Tabung Haji	8,455,000	13.50
3. Cartaban Nominees (Asing) Sdn. Bhd. - Bank of Tokyo Mitsubishi Luxembourg S.A. for Osterreichische Volksbanken AG	1,396,666	2.23
4. Ishak bin Mohamed Ariff	1,206,666	1.93
5. Yee Lee Organization Bhd.	921,499	1.47
6. Yap Ah Fatt	840,000	1.34
7. Nik Mohamad Pena bin Nik Mustapha	834,500	1.33
8. Universal Trustee (Malaysia) Berhad - Pacific Premier Fund	616,666	0.98
9. Kuan Peng Ching @ Kuan Peng Soon	400,000	0.64
10. Lembaga Tabung Haji	400,000	0.64
11. Jailani bin Abdullah	381,666	0.61
12. Lai Ka Chee	339,583	0.54
13. OSK Nominees (Tempatan) Sdn. Berhad - Kuan Peng Ching @ Kuan Peng Soon	290,000	0.46
14. Amanah Raya Nominees (Tempatan) Sdn. Bhd. - Dana Johor	283,000	0.45
15. Arab-Malaysian Nominees (Tempatan) Sdn. Bhd. - Arab Malaysian Trustee Bhd. for Pacific Pearl Fund	275,000	0.44
16. Amanah Raya Nominees (Tempatan) Sdn. Bhd. - Amanah Saham Johor	234,000	0.37
17. OSK Nominees (Tempatan) Sdn. Berhad - Lem Kim Kaw	210,000	0.34
18. Lim A Heng @ Lim Kok Cheong	200,000	0.32
19. HDM Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Soo Joo (Memo)	160,000	0.26
20. Chua Shok Tim @ Chua Siok Hoon	155,000	0.25
21. Choo Peng Hwa	135,000	0.22
22. Leong Lim Kuan	124,389	0.20
23. Ng Tiow Min	120,000	0.19
24. Wong Yoke Lian	100,000	0.16
25. Low Poh Weng	95,000	0.15
26. Botly Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chiew Ban Aik	91,666	0.15
27. Kwek Soo Siong	91,666	0.15
28. Mohd Bakri @ Mohamed bin Ramly	85,000	0.14
29. Goh Han Chuan	83,333	0.13
30. Amanah Raya Berhad - Kumpulan Wang Am	83,333	0.13
Total	51,232,866	81.82

DIRECTORS' INTERESTS IN SHARES

Other than as disclosed below, there is no other Director of the Company who has interest, direct or deemed, in the Company and its related corporations.

Name of Director	Direct interest	Percentage (%)	Deemed interest	Percentage (%)
Shares in Yee Lee Corporation Bhd.				
1. Dato (Dr) Haji Mohd. Ishak bin Hj. Mohd. Ariff	1,206,666	1.93	–	–
2. Lim A Heng @ Lim Kok Cheong	200,000	0.32	33,700,732 ^a	53.82
3. Chok Hooa @ Chok Yin Fatt	8,333	0.01	–	–
4. Thang Lai Sung	8,333	0.01	–	–
5. Chua Chee Seng	–	–	–	–
6. Mohd Adhan bin Kechik	16,666	0.03	–	–
7. Lee Kee Hong	8,333	0.01	–	–

a. Deemed interest by virtue of substantial shareholding in Young Wei Holdings Sdn. Bhd. and by virtue of being the spouse of Chua Shok Tim @ Chua Siok Hoon.

Yee Lee Corporation Bhd. Executive Share Option Scheme

Name of Director	Number of Options offered Direct interest
1. Lim A Heng @ Lim Kok Cheong	420,000
2. Chok Hooa @ Chok Yin Fatt	360,000
3. Thang Lai Sung	260,000



List of Properties

As of December 31, 2001

Location	Tenure	Current Use	Approximate Age of Building (Year)	Land/ Gross Floor Area (sq.metres)	Date of Acquisition/ Last Revaluation	Net Book Value RM'000
Lots No. 72169, 158022 and PT80026, Mukim of Ulu Kinta, District of Kinta, Perak Darul Ridzuan	Leasehold expiring on 01.09.2075, 30.07.2088 and 28.03.2050 respectively	3-storey office, factory, warehouse and adjoining vacant land	26	34,368/ 18,914	04.03.1998	15,032
P.T. No. 311, Town of Melaka District of Melaka Tengah, Melaka	Leasehold expiring on 19.12.2075	Double storey shophouse	30	276/ 310	08.01.1998	275
L.O. No. 26/73 Mukim of Bukit Katil, District of Melaka Tengah, Melaka	Leasehold expiring on 30.05.2072	Single storey semi-detached factory	31	2,013/ 677	08.01.1998	676
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	20	1,609/ 706	08.01.1998	1,266
Lot No. 15624, Mukim of Kuala Kuantan, Kuantan, Pahang	Freehold	Double storey shophouse	23	149/ 285	08.01.1998	212
P.T. No. 10010, Mukim of Kuala Kuantan, Kuantan, Pahang	Leasehold expiring on 18.07.2044	Single storey semi-detached factory	22	922/ 466	08.01.1998	319
Lot No. PT 8438, Mukim of Batu, District of Gombak, Selangor Darul Ehsan	Leasehold expiring on 09.07.2078	Double storey factory building	15	2,553/ 3,291	08.01.1998	3,211
Lot No. 16505, Mukim of Batu, Wilayah Persekutuan, Kuala Lumpur	Leasehold expiring on 16.06.2067	Single storey detached factory	29	1,799/ 449	08.01.1998	1,431
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	08.01.1998	153

Location	Tenure	Current Use	Approximate Age of Building (Year)	Land/ Gross Floor Area (sq.metres)	Date of Acquisition/ Last Revaluation	Net Book Value RM'000
Lot 2240, Section 66 Kuching Town Land District, Kuching, Sarawak	Leasehold expiring on 17.03.2042	Single storey factory cum double storey office	16	3,103/ 1,690	08.01.1998	2,555
Town Lease No. 077532828, District of Sandakan, Sandakan, Sabah	Leasehold expiring on 31.12.2029	1 1/2 storey semi-detached warehouse	21	585/ 414	08.01.1998	461
Lease No. 105430000, District of Tawau, Tawau, Sabah	Leasehold expiring on 31.12.2042	Single storey detached factory	19	2,086/ 476	08.01.1998	711
Lot Nos. 4337 and 4338, Mukim 13, Daerah Timur Laut, Penang	Freehold	2 adjoining unit of 3-storey shophouse	17	307/ 594	08.01.1998	1,069
Unit Nos. 1902, 1903 19th Floor, Sun Complex, Kuala Lumpur	Freehold	2 adjoining Apartment units	23	199	08.01.1998	278
Blk 1-6, & 9, Jalan Kilang, Sedco Industrial Estate, Miles 5 1/2, Tuaran Road, Kota Kinabalu, Sabah	Leasehold expiring on 31.12.2073	7 double storey industrial buildings	5	5,625/ 11,659	31.12.1997 #	3,343
Blk 1-6, & 9, Jalan Kilang, Sedco Industrial Estate, Miles 5 1/2, Tuaran Road, Kota Kinabalu, Sabah	Leasehold expiring on 31.12.2073	2 double storey industrial buildings	5	1,420/ 2,842	30.09.1999 #	829
PT No 31095, HS(D) 24203 Mukim of Batu, District of Gombak, Selangor Darul Ehsan	Freehold	3 storey office & warehouse	1	14,729/ 5,642	01.06.2000 #	13,340
PT 3843, HS(M) 1602 Mukim Bukit Baru, Daerah Melaka Tengah Melaka	Leasehold expiring on 29.03.2097	Vacant land	–	3,338	31.12.2000 #	529
PT 3842, HS(M) 1601 Mukim Bukit Baru, Daerah Melaka Tengah Melaka	Leasehold expiring on 29.03.2097	Vacant land	–	3,267	31.12.2000 #	518



Location	Tenure	Current Use	Approximate Age of Building (Year)	Land/ Gross Floor Area (sq.metres)	Date of Acquisition/ Last Revaluation	Net Book Value RM'000
Lot 10 & 11, CL 105479552 & CL 105479553 Off Jalan Sin On, Tawau	Leasehold expiring on 04.05.2904	2 adjoining unit of 2-storey shophouse	1	446/ 669	01.01.2001 #	857
Lot 70428, Mukim of Ulu Kinta, District of Kinta, Perak Darul Ridzuan	Leasehold expiring on 04.06.2074	Single storey office, factory and store	26	16,291/ 10,420	07.02.1998	4,213
P.T. 59999 Mukim of Ulu Kinta District of Kinta, Perak Darul Ridzuan	Leasehold expiring on 14.02.2046	Vacant land	–	5,054	06.02.1998	718
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	17	145,729/ 7,450	10.04.1998	13,165
Lot No. 3262, Bidor Industrial Estate Perak Darul Ridzuan	Leasehold expiring on 08.07.2056	Vacant land	–	27,446	10.04.1998	1,014
P.T. 786 Mukim of Bidor, District of Batang Padang Perak Darul Ridzuan	Leasehold expiring on 16.07.2042	Vacant land	–	40,763	10.04.1998	969
Provisional Lease No. 066290168, Kg Nalapak, District of Ranau, Sabah	Leasehold expiring on 31.12.2080	Plantation, office, factory, warehouse and labour housing	20	8,314,820/ 12,790	30.07.1998	16,538
Provisional Lease No. 066290168, Kg Nalapak, District of Ranau, Sabah	Leasehold expiring on 31.12.2080	Vacant agriculture land	–	16,148,424	1995	3,152

Date of acquisition



Proxy Form

TWENTY-NINTH ANNUAL GENERAL MEETING

Number of ordinary shares held

I/We _____
of _____

being a member/members of **YEE LEE CORPORATION BHD.**, hereby appoint _____

of _____

or failing him/her, the Chairman of the Meeting as my/our proxy, to attend and vote for me/us on my/our behalf at the Twenty-Ninth Annual General Meeting of Yee Lee Corporation Bhd., to be held at Garlet 3, Casuarina Parkroyal Hotel, 18 Jalan Gopeng, 30250 Ipoh, Perak Darul Ridzuan, on Thursday, June 27, 2002 at 11.00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the spaces provided below how you wish your vote to be casted. If no specific direction as to the voting is given, the proxy will vote or abstain from voting at his/her discretion.

	RESOLUTIONS	FOR	AGAINST
Resolution 1	Adoption of Audited Financial Statements and Reports for the financial year ended December 31, 2001		
Resolution 2	Declaration of a First and Final dividend of 4.5 sen per share less income tax of 28% in respect of the financial year ended December 31, 2001		
Resolution 3	Approval for the payment of Directors' fees of RM58,000 for the financial year ended December 31, 2001		
Resolution 4	Re-election of Mr. Lim A Heng @ Lim Kok Cheong		
Resolution 5	Re-election of Mr. Chok Hooa @ Chok Yin Fatt		
Resolution 6	Re-appointment of Messrs. Deloitte KassimChan as Auditors and authorising the Directors to fix their remuneration		
Resolution 7	Authority to the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965		
Resolution 8	Authority to the Directors to issue shares pursuant to the Executive Share Option Scheme		
Resolution 9	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Dated this June _____, 2002 _____
Signature(s) / Common Seal

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.

Please fold along this line

Stamp

The Company Secretary

YEE LEE CORPORATION BHD.

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

Please fold along this line