



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

ANNUAL REPORT 2004

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NOTICE OF

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Second Annual General Meeting of Yee Lee Corporation Bhd. will be held at Garlet 3, Casuarina Ipoh, 18 Jalan Raja Dr. Nazrin Shah (Jalan Gopeng), 30250 Ipoh, Perak Darul Ridzuan on Tuesday, June 28, 2005 at 11.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended December 31, 2004 and the Reports of the Directors and Auditors thereon. Resolution 1
2. To declare a first and final dividend of 2 sen tax-exempt and 1 sen less 28% income tax in respect of the financial year ended December 31, 2004. Resolution 2
3. To approve the payment of Directors' fees for the financial year ended December 31, 2004. Resolution 3
4. To re-elect the following Directors who retire by rotation pursuant to Article 80 of the Company's Articles of Association:
 - (i) Y. Bhg. Dato' Dr. Haji Mohamed Ishak bin Mohamed Ariff Resolution 4
 - (ii) Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong Resolution 5
 - (iii) Mr. Lee Kee Hong Resolution 6
5. To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company and to authorise the Directors to fix their remuneration. Resolution 7

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following as ordinary resolutions:

6. Authority to issue shares pursuant to Section 132D of the Companies Act, 1965 Resolution 8

“THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company, at any time until the conclusion of the next Annual General Meeting 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 to be issued does not exceed ten per cent (10%) of the issued and paid-up capital of the Company for the time being, subject always to the approvals of the relevant regulatory authorities.”
7. Authority to issue shares pursuant to the Executive Share Option Scheme Resolution 9

“THAT pursuant to Section 132D of the Companies Act, 1965 and the Company's Articles of Association, the Directors be and are hereby authorised to issue shares in the Company, at any time pursuant to the exercise of options in accordance with the terms and conditions of Yee Lee Corporation Bhd. Executive Share Option Scheme which was approved by the Shareholders at the Extraordinary General Meeting held on January 30, 2002.”

NOTICE OF ANNUAL GENERAL MEETING

8. Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature Resolution 10

“THAT, subject always to Bursa Malaysia Securities Berhad Listing Requirements, approval be and is hereby given to the Company and its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature with the related parties (“Proposed Shareholders' Mandate”) which are necessary for the Group’s day-to-day operations as set out in Section 2.4 of the Circular to Shareholders dated June 3, 2005 subject to the following:

- (i) the transactions are in the ordinary course of business, at arm’s length and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- (ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year with a breakdown of the aggregate value of the recurrent transactions as follows:
 - (a) the type of the recurrent transactions made; and
 - (b) the names of the related parties involved in each type of the recurrent transactions made and their relationship with the Company.

AND THAT such approval shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“the Act”) (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate.”

9. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of Members at the Thirty-Second Annual General Meeting to be held on June 28, 2005, a first and final dividend of 2 sen tax-exempt and 1 sen less 28% income tax for the financial year ended December 31, 2004 will be paid on August 18, 2005 to Depositors whose names appear in the Record of Depositors at the close of business on August 4, 2005.

A Depositor shall qualify for entitlement to the dividends only in respect of:

- (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on August 4, 2005 in respect of transfers; and
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

OOI GUAT EE
CHIANG SUE MAI
Company Secretaries

Ipoh, Perak Darul Ridzuan
June 3, 2005

NOTES:

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote on his behalf. A proxy may but need not be a member of the Company.
2. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Lot 85, Jalan Portland, Tasek Industrial Estate, 31400 Ipoh, Perak Darul Ridzuan not less than forty-eight (48) hours before the time for holding the meeting.

EXPLANATORY NOTES ON SPECIAL BUSINESS:

The proposed Ordinary Resolution 8, if passed, will empower the Directors to issue and allot shares in the Company for such purposes as the Directors in their absolute discretion consider to be in the interest of the Company, without having to convene a general meeting. This authority, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company.

The proposed Ordinary Resolution 9, if passed, will empower the Directors to issue and allot shares in the Company pursuant to the exercise of options under the Executive Share Option Scheme and in accordance with its terms and conditions.

The proposed Ordinary Resolution 10, if passed, will authorise the Company and its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business.

STATEMENT ACCOMPANYING NOTICE

OF ANNUAL GENERAL MEETING

1. DIRECTORS WHO ARE STANDING FOR RE-ELECTION AT THE 32ND ANNUAL GENERAL MEETING OF THE COMPANY

The Directors retiring by rotation pursuant to Article 80 of the Company's Articles of Association and seeking re-election are as follows:

- Y. Bhg. Dato' Dr. Haji Mohamed Ishak bin Mohamed Ariff
- Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong
- Mr. Lee Kee Hong

The details of the above Directors standing for re-election are set out in their respective Directors' Profile which appear on pages 8 to 9 of this Annual Report. Their securities holdings in the Company are set out in the Analysis of Shareholdings which appear on page 22 of this Annual Report.

2. BOARD MEETINGS HELD IN THE FINANCIAL YEAR ENDED DECEMBER 31, 2004

There were four Board Meetings held during the financial year ended December 31, 2004. The attendance of Directors at the Board Meetings is as follows:

Directors	Number of meetings attended	Percentage of attendance
Y. Bhg. Dato' Dr. Haji Mohamed Ishak bin Mohamed Ariff	4/4	100%
Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong	4/4	100%
Mr. Chok Hooa @ Chok Yin Fatt	4/4	100%
Mr. Thang Lai Sung	4/4	100%
Mr. Lim Ee Young	4/4	100%
Y.B. Mohd Adhan bin Kechik	3/4	75%
Mr. Lee Kee Hong	3/4	75%
Major (R) Mohd Ramli bin Othman	4/4	100%

3. THIRTY-SECOND ANNUAL GENERAL MEETING OF THE COMPANY

Date : Tuesday, June 28, 2005

Time : 11.00 a.m.

Venue : Garlet 3
Casuarina Ipoh
18 Jalan Raja Dr. Nazrin Shah (Jalan Gopeng)
30250 Ipoh
Perak Darul Ridzuan

CORPORATE INFORMATION

BOARD OF DIRECTORS

Independent Non-Executive Chairman

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

Deputy Chairman and Group Managing Director

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

Executive Directors

Mr. Chok Hooa @ Chok Yin Fatt, PMP
Mr. Thang Lai Sung
Mr. Lim Ee Young

Independent Non-Executive Directors

Y.B. Mohd Adhan bin Kechik, SMK
Mr. Lee Kee Hong
Major (R) Mohd Ramli bin Othman

AUDIT COMMITTEE

Chairman

Y.B. Mohd Adhan bin Kechik, SMK

Members

**Y. Bhg. Dato' Dr. Haji Mohamed Ishak bin
Mohamed Ariff, DSPN, JSM, DJN, SMS,
KMN, PPT, PJK**
Major (R) Mohd Ramli bin Othman
Mr. Chok Hooa @ Chok Yin Fatt, PMP

NOMINATION COMMITTEE

Chairman

Mr. Lee Kee Hong

Members

**Y. Bhg. Dato' Dr. Haji Mohamed Ishak bin
Mohamed Ariff, DSPN, JSM, DJN, SMS, KMN,
PPT, PJK**
Y.B. Mohd Adhan bin Kechik, SMK

REMUNERATION COMMITTEE

Chairman

Mr. Chok Hooa @ Chok Yin Fatt, PMP

Members

Y.B. Mohd Adhan bin Kechik, SMK
Mr. Lee Kee Hong

EXECUTIVE SHARE OPTION SCHEME COMMITTEE

Chairman

Mr. Lim Ee Young

Members

Mr. Chok Hooa @ Chok Yin Fatt, PMP
Mr. Lee Kee Hong

COMPANY SECRETARIES

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

AUDITORS

Deloitte KassimChan
Chartered Accountants

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad

SHARE REGISTRARS

SECTRARS SERVICES SDN. BHD.

28-1, Jalan Tun Sambanthan 3

Brickfields

50470 Kuala Lumpur

Telephone number : 03-22746133

Facsimile number : 03-22741016

REGISTERED OFFICE

Lot 85, Jalan Portland

Tasek Industrial Estate

31400 Ipoh

Perak Darul Ridzuan

Telephone number : 05-2911055, 05-2912055

Facsimile number : 05-2919962, 05-2910862

E-mail : info@yeelee.com.my

Website : www.yeelee.com.my

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad

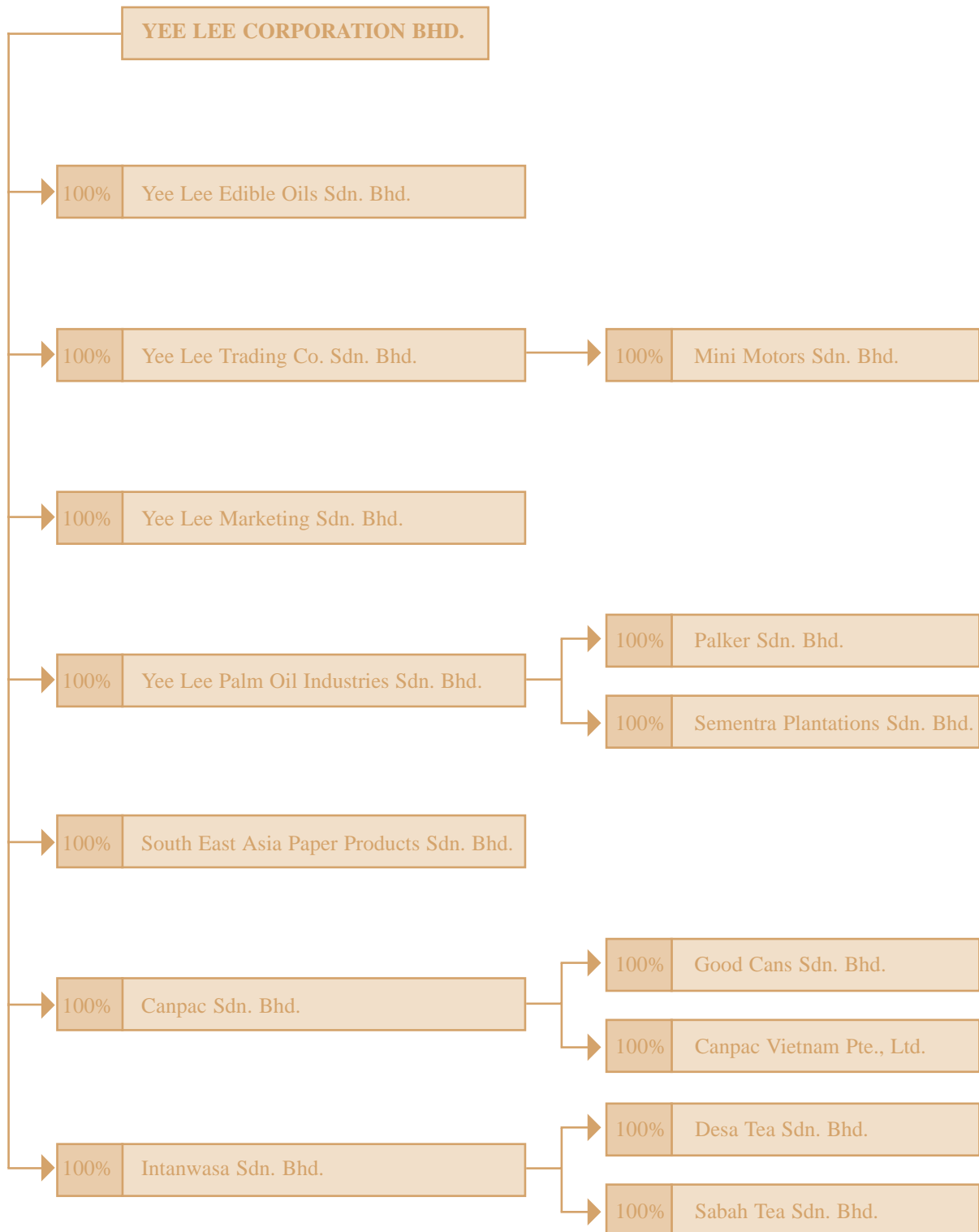
RHB Bank Berhad

Bumiputra-Commerce Bank Berhad

Malayan Banking Berhad

OCBC Bank (Malaysia) Berhad

CORPORATE STRUCTURE



DIRECTORS'

PROFILE

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

Independent Non-Executive Chairman

A Malaysian, aged 69, was appointed to the Board on March 2, 1993.

He qualified as a professional Chartered Town Planner in 1964 and as a professional Landscape Architect in 1973 from University of Newcastle-upon-Tyne, England. He was honoured by University of Newcastle-upon-Tyne, England with the Honorary Degree of Doctor in Civil Law in May 1993.

He served in various State Governments and was the Director-General of the Department of Town and Country Planning Malaysia from 1986 to 1993. He is a Fellow of the Royal Town Planning Institute London, Fellow of Malaysian Institute of Planners and Fellow of Institute of Landscape Architects Malaysia.

He is a director of Public Bank Berhad, Public Merchant Bank Berhad, Public Mutual Berhad and Faber Group Berhad, a member of Audit Committee and Nomination Committee of Yee Lee Corporation Bhd..

Mr. Thang Lai Sung

Executive Director

A Malaysian, aged 67, was appointed to the Board on January 10, 1973. He is one of the founders of Yee Lee Group of Companies.

He has more than 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 actively involved in social and community services. Presently, he is in charge of the general affairs of Yee Lee Group.

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

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

Deputy Chairman and Group Managing Director

A Malaysian, aged 60, was appointed to the Board on January 10, 1973. He is one of the founders of Yee Lee Group of Companies.

He has more than 37 years of experience in the trading and manufacturing of edible oils and consumer products industry.

He is the Deputy President of the Associated Chinese Chamber of Commerce and Industry of Malaysia, Presidents of Perak Chinese Chamber of Commerce and Industry, Malaysian-China Chamber of Commerce, Perak Branch, Perak Hock Kean Association and Perak Basketball Association, Vice-President of Malaysian Basketball Association and Chairman of Poi Lam High School (Suwa), Perak. He was formerly the President of Malaysian Eng Choon Association, a director of Hoklian Holdings Bhd. and the Chairman of Spritzer Bhd. and Yee Lee Organization Bhd..

He is the father of Mr. Lim Ee Young, a director of the Company and the spouse of Datin Chua Shok Tim @ Chua Siok Hoon. He is also a director and major shareholder of Yee Lee Organization Bhd.. Both Datin Chua Shok Tim @ Chua Siok Hoon and Yee Lee Organization Bhd. are major shareholders of the Company.

Mr. Chok Hooa @ Chok Yin Fatt, PMP

Executive Director

A Malaysian, aged 58, was appointed to the Board on April 30, 1990.

He holds a Bachelor Degree in Business Studies from Curtin University of Technology, Australia and Master in Business Administration from University of Strathclyde, United Kingdom. He is a Chartered Accountant of Malaysian Institute of Accountants, fellow members of CPA Australia and Malaysian Institute of Chartered Secretaries and Administrators and a member of Malaysian Institute of Certified Public Accountants.

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

He is a director of OKA Corporation Bhd., Spritzer Bhd. and Yee Lee Organization Bhd., the Chairman of Remuneration Committee and a member of Audit Committee and Executive Share Option Scheme Committee of Yee Lee Corporation Bhd..

Mr. Lee Kee Hong

Independent Non-Executive Director

A Malaysian, aged 57, was appointed to the Board on March 2, 1993.

He was involved in the senior management of several public listed companies between 1970 and 1990. Currently, he runs his own private business.

He is a director of Crimson Land Berhad, the Chairman of Nomination Committee and a member of Remuneration Committee and Executive Share Option Scheme Committee of Yee Lee Corporation Bhd..

Mr. Lim Ee Young

Executive Director

A Malaysian, aged 33, was appointed to the Board on December 3, 2002.

He holds a Bachelor of Business (Accounting) from University of Ballarat, Australia and Master of Business Administration from University of Bath, United Kingdom. He is a Chartered Accountant of the Malaysian Institute of Accountants and a member of CPA Australia.

He joined Yee Lee Corporation Bhd. as a Management Trainee in 1993 and was subsequently promoted as Accounts and Administration Executive. He was involved in the accounting, administration and marketing functions of Yee Lee Group from 1993 to 1996. In 1997 and 2001, he was promoted as Administration Manager and Group Administration Manager respectively. Presently, he is responsible for the Group's administration functions and also involved in the management of several related companies.

He is the Chairman of Executive Share Option Scheme Committee of Yee Lee Corporation Bhd..

He is the son of Dato' Lim A Heng @ Lim Kok Cheong, Deputy Chairman and Group Managing Director of Yee Lee Corporation Bhd. and Datin Chua Shok Tim @ Chua Siok Hoon. He is also a director and shareholder of Yee Lee Organization Bhd.. Both Datin Chua Shok Tim @ Chua Siok Hoon and Yee Lee Organization Bhd. are major shareholders of the Company.

DIRECTORS' PROFILE

Y.B. Mohd Adhan bin Kechik, SMK

Independent Non-Executive Director

A Malaysian, aged 49, was appointed to the Board on March 2, 1993.

He holds a Bachelor of Laws (Honours) Degree and Master of Laws Degree from University of Malaya. He is a lawyer by profession. Currently, he is practising as a partner at Messrs. Adhan & Yap in Kuala Lumpur. Prior to setting up his own private practice in Kota Bharu, Kelantan in 1984, he was attached to the Legal and Judicial Department for five years serving in the Magistrate Court, High Court, Public Trustee's office and Attorney General's office before being appointed the Legal Adviser to the Ministry of Transport in 1983. He also served the State Government of Kelantan for four years as Menteri Besar's political secretary from 1986 to 1990 and was elected the State Assemblyman of Kelantan for Kemahang from 1995 to 1999. In the recent general election, he was elected the State Assemblyman of Kelantan for Bukit Bunga.

He is a director of Spritzer Bhd., the Chairman of Audit Committee and a member of Nomination and Remuneration Committees of Yee Lee Corporation Bhd..

Major (R) Mohd Ramli bin Othman

Independent Non-Executive Director

A Malaysian, aged 49, was appointed to the Board on November 20, 2003.

He graduated from Pakistan Military Academy with a Bachelor of Arts Degree in Political Science and obtained his LLB Hons from MARA University of Technology in 1990 and Master in Business Administration from University of Wales, Cardiff in 1998.

He served the Malaysian Armed Forces in the Infantry Corps from 1974 to 1984 and joined the Military Legal Service, served as Prosecutor, Defending Officer and Judge Advocate from 1987 to 1991. He then joined the Malaysian Legal and Judicial Service in 1991 and served as Federal Counsel, Deputy Public Prosecutor and Legal Adviser from 1991 to 1999. Currently, he is employed as the Head of Human Resources and Legal Adviser of Lembaga Tabung Haji and Group of Companies.

He is a member of the Audit Committee of Yee Lee Corporation Bhd..

Family Relationship

Save as disclosed above, none of the Directors have any family relationship with any other Director and/or Major Shareholder of the Company.

Conflict of Interest

Other than the permitted recurrent related party transactions as disclosed in the Circular to Shareholders on Proposed Shareholders' Mandate, none of the Directors have any conflict of interest with the Company.

Conviction for Offences

For the past ten years, none of the Directors have any conviction for offences (other than traffic offences).

AUDIT COMMITTEE

REPORT

A. MEMBERS

The Audit Committee comprises the following members:

Chairman

Y.B. Mohd Adhan bin Kechik
Independent Non-Executive Director

Members

Y. Bhg. Dato' Dr. Haji Mohamed Ishak bin Mohamed Ariff
Independent Non-Executive Director

Mr. Chok Hooa @ Chok Yin Fatt
Executive Director

Major (R) Mohd Ramli bin Othman
Independent Non-Executive Director

B. TERMS OF REFERENCE

1. Composition

- (i) The Audit Committee shall be appointed by the Board of Directors from amongst their members and composed of not less than three members, a majority of whom shall be independent directors.
- (ii) At least one member of the Audit Committee:
 - (a) must be a member of the Malaysian Institute of Accountants;
 - (b) or if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:
 - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
 - (c) must have a degree/masters/doctorate in accounting or finance and at least 3 years' post qualification experience in accounting or finance; or
 - (d) must have at least 7 years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.
- (iii) No alternate director can be appointed as a member of the Audit Committee.
- (iv) All members of the Audit Committee including the Chairman will hold office only as long as they serve as directors of the Company. Should any member of the Audit Committee cease to be a director of the Company, his membership in the Audit Committee would cease forthwith.
- (v) The members of the Audit Committee shall elect a Chairman from amongst their number who is an independent director.
- (vi) The Board shall review the term of office and performance of the Audit Committee and each of its members at least once every three years, to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

AUDIT COMMITTEE REPORT

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

2. Authority

The Audit Committee shall have the authority to:

- (i) investigate into any activities within its terms of reference. It is authorised by the Board to seek any information it requires from any employee and all employees are directed to co-operate on any request made by the Audit Committee.
- (ii) obtain the necessary resources required to perform its duties.
- (iii) have direct communication channels with the external auditors and internal auditors. They shall be empowered to convene meetings with the external auditors, without the presence of the executive members of the Audit Committee, whenever deemed necessary.
- (iv) seek independent professional advice as it considers necessary.

3. Duties and Responsibilities

The Audit Committee shall review and, where applicable, report to the Board of Directors on the following matters:

- (i) **Financial Reporting**
Review and recommend the quarterly and year end financial statements of the Company and of the Group for the approval of the Board of Directors, focusing particularly on the following issues:
 - changes in or implementation of new accounting policies and practices.
 - significant adjustments and unusual events arising from the audit.
 - compliance with applicable approved accounting standards and other legal and regulatory requirements.
- (ii) **Internal Audit**
 - review the adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work.
 - review the internal audit plan and their audit report and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function.
- (iii) **External Audit**
 - review with the external auditors, the audit plans, scope of audit and to evaluate the audit reports before recommending for Board of Directors' approval.
 - review with the external auditors, their evaluation of the system of internal accounting controls.
 - review the performance of the external auditors and make recommendations to the Board of Directors on their appointment and remuneration.
- (iv) **Related Party Transactions**
 - review any related party transactions that may arise within the Company and the Group.
- (v) **Other Matters**
 - perform any other functions as the Audit Committee considers appropriate or as authorised by the Board of Directors.

4. Meetings

- (i) The Audit Committee shall meet at least four times annually and additional meetings may be called at any time at the Chairman's discretion. An agenda shall be sent to all members of the Committee and any persons that may be required to attend.

- (ii) The quorum shall consist of two members and a majority of members present must be independent director. The external and internal auditors will be invited to attend meetings as and when deemed appropriate.
- (iii) The Company Secretary shall record, prepare and circulate the minutes of the meetings and ensure that the minutes are properly kept.

The Audit Committee held four meetings during the financial year ended December 31, 2004. The details of attendance of each member of the Audit Committee are as follows:

Audit Committee Members	Number of meetings attended
Y.B. Mohd Adhan bin Kechik	4/4
Y. Bhg. Dato' Dr. Haji Mohamed Ishak bin Mohamed Ariff	4/4
Mr. Chok Hooa @ Chok Yin Fatt	4/4
Major (R) Mohd Ramli bin Othman (appointed on November 25, 2004)	-

C. SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

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

- (i) reviewed and approved the annual audit plan prepared by internal and external auditors.
- (ii) reviewed the internal and external auditors' reports and considered the major findings by the auditors and management's responses thereto.
- (iii) reviewed the unaudited quarterly financial results and the audited financial statements of the Company and of the Group prior to the submission to the Board of Directors for their consideration and approval before public release.
- (iv) reviewed the recurrent related party transactions entered into by the Company and the Group to ascertain that the transactions are conducted at arm's length and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

D. SUMMARY OF ACTIVITIES OF INTERNAL AUDIT

The Internal Audit Department (IAD) adopts a risk-based approach, and prepares its audit strategy and plan based on risk profiles of the business units of the Group. Its audit functions include independent assessments on the adequacy, efficiency and effectiveness of the system of internal control, and the quality of performances by members of the Group in carrying out their assigned responsibilities. The IAD would conduct activities based on its annual internal audit plan and also undertakes special "ad hoc" audit assignments as requested by the Senior Management from time to time.

Throughout the year, the internal audit team had performed audit assignments on subsidiaries and associate companies. The scope of audit encompassed assets management, cash collections and disbursements, credit policy, inventory, purchasing and sales, operations and internal quality pertaining to ISO9001:2000 compliance. Audit reports incorporating the audit findings and recommendations for corrective actions on systems and control weaknesses are presented to the management concerned, and thereafter to the Audit Committee for appraisal and review. The Management is responsible for ensuring that corrective actions are taken to overcome the reported weaknesses within the required time frame.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors supports high standards of corporate governance and committed in ensuring that the Best Practices set out in the Malaysian Code on Corporate Governance (the “Code”) is being fully applied as a fundamental part of discharging their responsibilities to protect and enhance shareholders’ value.

Set out below are the corporate governance principles and practices that were applied during the financial year ended December 31, 2004:

A. THE BOARD OF DIRECTORS

(a) Board Composition and Balance

The Board of Directors of Yee Lee Corporation Bhd. presently has eight members comprising:

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

The profile of each Director is presented on pages 8 to 10 of this Annual Report.

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

The Board of Directors’ meetings are presided by the Chairman. There is a clear division of responsibilities between the Chairman and the Managing Director of the Group to ensure a 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 responsible for making and implementing policies and decisions of the Board, overseeing operations as well as managing development and implementation of business and corporate strategies. The Non-Executive Directors are independent of management and free from any business relationship which could materially interfere with their independent judgement. Their presence ensure that issues of strategies, performance and resources proposed by the Management are objectively evaluated with their judgement.

The Board is satisfied that the current Board composition fairly reflects the investment of minority shareholders in the Company.

(b) Board Meetings

To ensure that the Group is managed effectively, the Board has committed to meet at least four times a year, usually before the announcement of the quarterly results to Bursa Malaysia Securities Berhad, with additional meetings convened when necessary. During the year ended December 31, 2004, four Board Meetings were held and the record of attendance is shown in the table below:

Directors	Meetings Attendance
Y. Bhg. Dato’ Dr. Haji Mohamed Ishak bin Mohamed Ariff	4/4
Y. Bhg. Dato’ Lim A Heng @ Lim Kok Cheong	4/4
Mr. Chok Hooa @ Chok Yin Fatt	4/4
Mr. Thang Lai Sung	4/4
Mr. Lim Ee Young	4/4
Y.B. Mohd Adhan bin Kechik	3/4
Mr. Lee Kee Hong	3/4
Major (R) Mohd Ramli bin Othman	4/4

STATEMENT ON CORPORATE GOVERNANCE

(c) Supply of Information

The Board is provided with an agenda, reports and other relevant information prior to Board Meetings, covering various aspects of the Group's operations. This is issued on a timely manner to enable the Board to participate actively in the overall management of the Company and to effectively discharge their duties and responsibilities.

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

(d) Directors' Training

The Board acknowledges that continuous education is vital in keeping them abreast with changes in laws and regulations, business environment and corporate governance developments, besides enhancing professionalism and knowledge in enabling them to discharge their duties more effectively. All members of the Board have attended the Mandatory Accreditation Programme and other seminars and conferences.

(e) Appointments and Re-election of Directors

In accordance with the Company's Articles of Association, all newly appointed Directors are subject to re-election by shareholders at the first Annual General Meeting after their appointments. The Articles also provide that one third of the remaining Directors be subject to re-election by rotation at each Annual General Meeting provided always that all Directors including the Managing Director shall retire from office once at least in each three years but shall be eligible for re-election.

The Board has empowered the Nomination Committee to consider and make recommendations to the Board for the continuation in service of those Directors who are due for retirement and recommendation of new Directors, if required to enhance the composition of the Board.

As an integral element of the process of appointing new Directors, the Nomination Committee will ensure that Director 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.

B. DIRECTORS' REMUNERATION

- (a) The remuneration received by the Directors from the Group and the Company 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	893	47	140	62	1,142
Non-Executive Directors	-	34	-	11	45

STATEMENT ON CORPORATE GOVERNANCE

(b) Directors' remunerations 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	-	-
RM150,001 to RM200,000	2	-
RM200,001 to RM250,000	-	-
RM250,001 to RM300,000	-	-
RM300,001 to RM350,000	1	-
RM350,001 to RM400,000	-	-
RM400,001 to RM450,000	-	-
RM450,001 to RM500,000	1	-

The fees payable to Directors are subject to the approval of shareholders.

C. BOARD COMMITTEES

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

(a) Audit Committee

The Audit Committee consists of four members with a majority of Independent Non-Executive Directors. The Audit Committee's terms of reference include the reviews of the Group's financial statements, presentation of external financial reporting, reviewing the audit findings of the external auditors as well as the audit findings and issues raised by internal auditors together with the Management's responses thereon.

The Audit Committee Report for the financial year under review is disclosed on pages 11 to 13 of this Annual Report.

(b) Nomination Committee

The Nomination Committee has three members comprising exclusively Non-Executive Directors, all of whom are independent directors.

The Nomination Committee is responsible for assessing the performance of existing Directors and identifying, nominating, recruiting, appointing and orientating new Directors. It assists the Board in reviewing the required mix of skills and experience of the Directors.

(c) Remuneration Committee

The Remuneration Committee has three members comprising two Independent Non-Executive Directors and one Executive Director.

The Remuneration Committee is responsible for setting the policy framework and makes recommendation to the Board on all elements of remuneration and terms of employment of Executive Directors and senior management. Non-Executive Directors' remuneration will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting decisions in respect of his individual remuneration.

STATEMENT ON CORPORATE GOVERNANCE

(d) Executive Share Option Scheme (“ESOS”) Committee

The ESOS Committee has three members comprising one Independent Non-Executive Director and two Executive Directors. The ESOS Committee administers 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.

D. SHAREHOLDERS

(a) Dialogue between the Company and Investors

Shareholders are kept well informed of developments and performances of the Group through annual reports, press releases, quarterly results and other announcements to Bursa Malaysia Securities Berhad. The Annual Report contains all the necessary disclosures in addition to facts and figures about the Group.

The Company values dialogues with its shareholders, potential investors, institutional investors and analyst and is willing to meet up with anyone to explain or further clarify any information already disclosed in its Annual Report or announcements released to Bursa Malaysia Securities Berhad. The Board has identified Y.B. Mohd Adhan bin Kechik, an Independent Non-Executive Director, to whom any concerns may be conveyed. Shareholders may also contact the Company Secretaries for information at all times.

(b) General Meetings

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

E. ACCOUNTABILITY AND AUDIT

(a) 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.

(b) Internal Control

The Board acknowledges its responsibility for establishing a sound system of internal control to safeguard shareholders’ investments and Group’s assets and to provide assurances on the reliability of the financial statements.

The statement of internal control provides an overview of the state of internal controls within the Group and is set out on page 20 of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

(c) Relationship with Auditors

The internal auditors and the external auditors were invited to attend Audit Committee meetings. The Company maintains a transparent relationship with the auditors in seeking their professional advice and towards ensuring compliance with the accounting standards.

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 pages 12 to 13 in the Report of the Audit Committee.

F. 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, 2004 with the exception of the full implementation of the Group's enterprise risk management system. 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.

G. 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 of 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, 2004 as set out on pages 34 to 78, 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 of 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 Group to prevent and detect fraud and other irregularities.

H. ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with Bursa Malaysia Securities Berhad Listing Requirements:

(a) Utilisation of proceeds raised from corporate proposals

The Company did not raise any funds from any corporate proposals during the financial year 2004.

(b) Share buy-back

No share buy-back scheme was in place during the financial year 2004.

(c) Options, warrants or convertible securities exercised

The Yee Lee Corporation Bhd. Executive Share Option Scheme was launched on March 18, 2002. The details of options exercised/lapsed during the financial year 2004 are disclosed in the Directors' Report on page 29 of the Financial Statements.

The Company did not issue any warrants or convertible securities during the financial year 2004.

STATEMENT ON CORPORATE GOVERNANCE

(d) American Depository Receipt (“ADR”) or Global Depository Receipt (“GDR”) programme

The Company did not sponsor any ADR or GDR programme during the financial year 2004.

(e) Sanctions and/or penalties imposed on the company and its subsidiary companies, directors or management by the relevant regulatory

There were no material sanctions or penalties imposed on the Company and its subsidiary companies, directors or management by the relevant regulatory bodies during the financial year 2004.

(f) Non-audit fees

The amount of non-audit fees paid to external auditors by the Company and its subsidiary companies for the financial year 2004 was RM2,700.

(g) Variation in results

There was no variance of 10% or more between the results for the financial year 2004 and the unaudited results previously announced.

(h) Profit guarantee

There was no profit guarantee given by the Company during the financial year 2004.

(i) Material contracts

There were no material contracts outside the ordinary course of business entered into by the Company and/or its subsidiary companies which involved directors' and major shareholders' interest, either still subsisting at the end of the financial year 2004 or which were entered into since the end of the previous financial year.

(j) Contracts relating to loans

There were no contracts relating to loans made by the Company during the financial year 2004.

(k) Revaluation of landed properties

The details of the revaluation of landed properties during the financial year 2004 are disclosed on page 57 of the Financial Statements.

(l) Recurrent related party transactions of a revenue or trading nature

The details of the recurrent related party transactions of a revenue or trading nature conducted pursuant to Shareholders' Mandate during the financial year 2004 between the Company and/or its subsidiary companies with related parties are disclosed on pages 62 to 68 of the Financial Statements.

STATEMENT ON

INTERNAL CONTROL

Introduction

The Malaysia Code on Corporate Governance required listed companies to maintain a sound system of internal control to safeguard shareholders' investments and Group's assets. Pursuant to Paragraph 15.27(b) of the Bursa Malaysia Securities Berhad Listing Requirements, the Board of Directors of Yee Lee Corporation Bhd. is pleased to make the following statement.

Board Responsibilities

The Board of Directors acknowledges the importance of maintaining sound internal controls and effective risk management practices to ensure good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal control and risk management, and for reviewing the adequacy and integrity of those systems. In view of the limitations that are inherent in any systems of internal control, it should be noted that such systems can only provide reasonable but not absolute assurance against material errors, fraud or losses. The internal control system is thus designed to manage rather than to eliminate the risk of failure in achieving the Group's business objectives.

Enterprise Risk Management

During the year, the Board had approved a Risk Management Policy and Procedure Manual for Yee Lee Corporation Bhd. Group of Companies. Through this framework, there is an on-going process for identifying, evaluating, monitoring and managing significant risks. The Board has a fundamental role in risk management within the Group. This includes the annual review of the Group's approach towards risk management, and approve on changes or improvements to the key elements of its processes and procedures. The Management Committee assists the Board in ensuring that a risk management system is established, implemented and maintained in accordance with this policy. The management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Hence, the risk management processes were integrated with other planning processes and management activities. The Audit Committee will oversee the processes for the identification and assessment of the general risk spectrum, review the outcomes of risk management processes and advise the Board when necessary.

Internal Audit Function

The Group has an Internal Audit Department (IAD) which conducts regular internal audit visits to business units, and carries out its functions in monitoring the effective application of policies, procedures and activities related to internal controls, risk management and governance processes. The Group's IAD reports to the Audit Committee on risk and control matters of significance that could adversely affect the Group's financial position or reputation. The internal audit function will provide the Board with an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system in anticipating potential risk exposures over key business processes and in controlling the proper conduct of business within the Group.

Review of Effectiveness

The Board is committed towards improving the system of internal controls within the Group to meet its corporate objectives. It has taken the necessary steps to ensure that the Group's internal control system remained adequate and intact for the assets to be adequately safeguarded through the prevention and detection of fraud, other irregularities and material misstatements.

The Board is of the view that the present system of internal controls is sufficient to its business operations, and able to safeguard the Group's interest. It is also satisfied that the risks taken are at an acceptable level and within the context of the business environment of the Group.

ANALYSIS OF SHAREHOLDINGS

AS AT MAY 6, 2005

A. SHARE CAPITAL

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

B. DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	Number of Shares Held	% of Issued Shares
Less than 100 shares	62	3,149	0.00
100 to 1,000 shares	191	160,261	0.26
1,001 to 10,000 shares	1,857	6,285,637	10.02
10,001 to 100,000 shares	165	4,426,724	7.06
100,001 to less than 5% of issued shares	21	10,588,996	16.89
5% and above of issued shares	2	41,239,233	65.77
Total	2,298	62,704,000	100.00

C. SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Names of Shareholders	Direct Interest		Deemed Interest	
	Number of Shares Held	% of Issued Shares	Number of Shares Held	% of Issued Shares
1. Yee Lee Organization Bhd.	34,011,632	54.24	-	-
2. Lembaga Tabung Haji	8,455,000	13.48	-	-
3. Dato' Lim A Heng @ Lim Kok Cheong	330,300	0.53	34,166,632 ^a	54.49
4. Datin Chua Shok Tim @ Chua Siok Hoon	155,000	0.25	34,341,932 ^b	54.77
5. Unikampar Credit And Leasing Sdn. Bhd.	-	-	34,011,632 ^c	54.24
6. Uniyelee Sdn. Bhd.	-	-	34,011,632 ^d	54.24
7. Yeleta Holdings Sdn. Bhd.	-	-	34,011,632 ^e	54.24
8. Young Wei Holdings Sdn. Bhd.	-	-	34,011,632 ^f	54.24

Notes:

- ^a Deemed interest by virtue of substantial shareholding in Young Wei Holdings Sdn. Bhd. and by virtue of being the spouse of Datin 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 Dato' 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 shareholdings in Unikampar Credit And Leasing Sdn. Bhd. and Uniyelee Sdn. Bhd..
- ^f Deemed interest by virtue of substantial shareholding in Yeleta Holdings Sdn. Bhd..

ANALYSIS OF SHAREHOLDINGS AS AT MAY 6, 2005

D. DIRECTORS' SHAREHOLDINGS IN THE COMPANY AND ITS RELATED CORPORATIONS

The Directors' direct and indirect interests in shares in the Company and its related corporations based on the Register of Directors' Shareholding are as follows:

Shares held in the Company

Names of Directors	Direct Interest		Deemed Interest	
	Number of Shares Held	% of Issued Shares	Number of Shares Held	% of Issued Shares
1. Dato' Dr. Haji Mohamed Ishak bin Mohamed Ariff	1,206,666	1.92	-	-
2. Dato' Lim A Heng @ Lim Kok Cheong	330,300	0.53	34,166,632 ^a	54.49
3. Chok Hooa @ Chok Yin Fatt	12,333	0.02	-	-
4. Thang Lai Sung	8,333	0.01	-	-
5. Lim Ee Young	38,333	0.06	3,333 ^b	0.01
6. Mohd Adhan bin Kechik	16,666	0.03	-	-
7. Lee Kee Hong	8,333	0.01	-	-

Other than as disclosed above, no other Director of the Company has interest, in the Company and its related corporations.

Notes:

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

^b Deemed interest by virtue of being the spouse of Ooi Guat Ee.

Shares held in the holding company - Yee Lee Organization Bhd.

Names of Directors	Direct Interest		Deemed Interest	
	Number of Shares Held	% of Issued Shares	Number of Shares Held	% of Issued Shares
1. Dato' Lim A Heng @ Lim Kok Cheong	2,751	0.03	7,702,454 ^a	70.02
2. Thang Lai Sung	1,716	0.02	-	-
3. Lim Ee Young	25,879	0.24	-	-
4. Lee Kee Hong	11,550	0.11	-	-

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

Share Option held under Yee Lee Corporation Bhd. Executive Share Option Scheme

	Number of Share Option Held
1. Dato' Lim A Heng @ Lim Kok Cheong	340,000
2. Chok Hooa @ Chok Yin Fatt	360,000
3. Thang Lai Sung	260,000
4. Lim Ee Young	150,000

ANALYSIS OF SHAREHOLDINGS
AS AT MAY 6, 2005

E. TOP THIRTY SECURITIES ACCOUNT HOLDERS

Names of Shareholders	Number of Shares Held	% of Issued Shares
1. Yee Lee Organization Bhd.	32,784,233	52.28
2. Lembaga Tabung Haji	8,455,000	13.48
3. Cartaban Nominees (Asing) Sdn. Bhd. - Bank of Tokyo Mitsubishi Luxembourg S.A. for Osterreichische Volksbanken AG	1,396,666	2.23
4. Yee Lee Organization Bhd.	1,227,399	1.96
5. Dato' Dr. Haji Mohamed Ishak bin Mohamed Ariff	1,206,666	1.92
6. HLB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Fong Teng	1,029,700	1.64
7. Chan Wan Moi	759,000	1.21
8. Yap Ah Fatt	728,000	1.16
9. Leong Lim Kuan	615,317	0.98
10. Dato' Nik Mohamad Pena bin Nik Mustapha	600,000	0.96
11. Jailani bin Abdullah	513,666	0.82
12. Lai Ka Chee	452,583	0.72
13. Dato' Lim A Heng @ Lim Kok Cheong	330,300	0.53
14. Mayban Securities Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ong Huey Peng	309,000	0.49
15. OSK Nominees (Tempatan) Sdn. Berhad - Lem Kim Kaw	210,000	0.33
16. Citicorp Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Kuan Peng Ching @ Kuan Peng Soon	208,100	0.33
17. Amanah Raya Nominees (Tempatan) Sdn. Bhd. - Amanah Saham Johor	180,800	0.29
18. Datin Chua Shok Tim @ Chua Siok Hoon	155,000	0.25
19. Wong Chee Choon	154,400	0.25
20. Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB for Kuan Peng Ching @ Kuan Peng Soon	152,400	0.24
21. Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB for Law Cheing Kiat @ Low Cheng Kiat	124,999	0.20
22. Wong Wan Chong	120,000	0.19
23. Choo Peng Hwa	115,000	0.18
24. Wong Yoke Lian	100,000	0.16
25. Low Poh Weng	95,000	0.15
26. Kwek Soo Siong	91,666	0.15
27. Mohd Bakri @ Mohamed bin Ramly	85,000	0.14
28. Lim Fong Teng	81,700	0.13
29. Lim Ka Kian	80,000	0.13
30. Amanah Raya Nominees (Tempatan) Sdn. Bhd. - Kumpulan Wang Am	75,333	0.12
Total	52,436,928	83.62

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, 2004.

CORPORATE DEVELOPMENTS

During the current financial year, Canpac Sdn. Bhd., a wholly-owned subsidiary of the Company had taken steps to expand abroad by setting up a wholly-owned foreign subsidiary, Canpac Vietnam Pte. Ltd. (CPV) in Vietnam. CPV will be involved in the manufacturing and selling of aerosol cans. The construction of the leased factory had been completed and is expected to commence operations in the second half of year 2005.

FINANCIAL PERFORMANCE

The Group recorded a revenue of RM361.85 million for the year ended December 31, 2004, representing an increase of 29.1% over the previous year. Correspondingly, the Group's pre-tax profit increased from RM5.82 million in the preceding year to RM6.75 million this year. Group's profit attributable to shareholders increased by 86.6% from RM2.17 million to RM4.05 million. Earnings per share for 2004 was 6.45 sen as compared to 3.46 sen in 2003.

DIVIDENDS

The directors are pleased to recommend a first and final dividend of 2 sen per share, tax-exempt and 1 sen per share, less tax (2003: 2 sen per share less tax) for the year ended December 31, 2004. The dividend, if approved, will be paid on August 18, 2005.

REVIEW OF OPERATIONS

The Company

The Company registered a higher revenue and pre-tax profit of RM1.88 million and RM1.06 million respectively in year 2004 (2003: RM1.37 million and RM1.02 million). The increase in revenue and pre-tax profit was due to higher dividend income received from its subsidiary companies.

The Subsidiary Companies

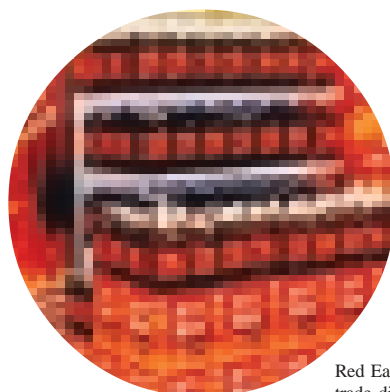
Yee Lee Edible Oils Sdn. Bhd. (YLEO)

YLEO recorded an increase in revenue from RM112.16 million in 2003 to RM132.36 million this year. The higher revenue achieved was primarily due to an increase in both local and export sales of cooking oil. The increase in selling price of palm based cooking oil resulting from the increase in crude palm oil (CPO) price also contributed to the increase in revenue.

YEE LEE CORPORATION BHD.



MorningKiss trade display



Red Eagle trade display



Spritzer trade display

On January 1, 2004, the government reintroduced the cost subsidy scheme to compensate palm based cooking oil manufacturers for the increased cost when the CPO price rose above a certain threshold level. With this scheme, YLEO was able to recover its cost and improve its bottom line as evidenced in 2004. However, the scheme ceased in mid 2004 as the CPO price dropped below the threshold claim level. Packaging material costs and transportation costs have been increasing in 2004. Despite such increase, YLEO was not able to immediately pass on this cost to its consumers due to intense competition among cooking oil manufacturers. YLEO will continue to tighten its cost through cost control and improvement in production efficiency to enhance its competitiveness and profitability.

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

On average, the CPO price was RM1,610 per metric (MT) in 2004, or 4.27% higher compared to RM1,544 per MT in 2003. The average price of palm kernel performed even better, rising by 45% to RM1,063 per MT. Overall the increase in production output and extraction rate of both CPO and palm kernel coupled with the price increase have boosted YLPOI's

revenue by 18.8% to RM109.03 million. This has resulted in YLPOI's pre-tax loss being reduced substantially by 47.3% from RM2.05 million in 2003 to RM1.08 million this year.

YLPOI constantly faces the challenge of improving its oil extraction rate which is very much dependent on the quality of the fresh fruit bunches (FFB) received from its suppliers. Continuous imposition of stringent grading criteria coupled with healthy dialogues with suppliers are constantly carried out to ensure better quality of FFB supplies and thus improvement to its oil extraction rates. The ongoing maintenance and upgrading of key machineries have contributed towards further improvement on the FFB throughput with less interruption. With all these key measures undertaken, YLPOI is confident of turning around in year 2005.

Sabah Tea Adventure Race 2004



Basketball tournament sponsored by YLT



"Rolls-Royce" road event sponsored by Desa Tea



C-Tea launching by Siti Nurhaliza and witnessed by YB Datuk Dr. M. Kayveos (PJNJP) and Y. Bhg. Dato' Dr. Haji Mohamed Ishak bin Mohamed Ariff (Chairman)

CHAIRMAN'S STATEMENT

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

Despite the increase in revenue by 5.63%, SEAPP recorded a 43.7% decrease in pre-tax profit from RM0.87 million in 2003 to RM0.49 million this year. The lower pre-tax profit was mainly attributable to higher prices of paper roll, fuel oil and other consumables cost. Being in an excess supply industry with intense price competition among corrugated carton manufacturers and converters, SEAPP faces difficulties in passing on the increased cost to its customers. This has adversely affected its profit margin.

Efforts were directed towards strengthening its customer service and sales forces to provide better product quality and services to customers. This has eventually built up customer confidence and satisfaction and hence increased its revenue. Steps have been taken to widen the customer base in order to capture more market share.

Canpac Sdn. Bhd. (CP)

Year 2004 was another record year for CP with pre-tax profit increased to RM6.28 million, representing an increase of 5.7% over the previous year. Revenue increased by 25.0% from RM39.25 million in 2003 to

RM49.05 million this year. These results were recorded amidst a fiercely competitive operating environment coupled with the increasing tinplates and other raw materials prices. In such environment, CP experienced difficulties in increasing its selling price. In order to remain competitive, CP has to constantly improve its productivity and efficiency by upgrading its existing machineries to lower its production cost.

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

YLT, which operates under extremely competitive conditions, had managed to achieve a higher pre-tax profit of RM0.70 million on the back of a 6.4% growth in revenue. The increase in revenue was mainly attributable to the increase in sales of the "MorningKiss" brand of oral care products, new product launchings such as "Zen 100% Pure Tomato Juice" and "MorningKiss Synergy and Twin Toothbrush" and securing new distributorship of children products in East Malaysia. With its well established distribution channels, YLT will continue to adopt aggressive marketing strategies to promote and create awareness of its products and at the same time expand its products range.



YLM product
sampling event



POP
sampling
event



Yee Lee Marketing Sdn. Bhd. (YLM)

YLM, which secured the distribution rights for resale and distribution of various Procter & Gamble brand of consumer products in Northern Malaysia, commenced business operations in 2004. It achieved a pre-tax profit of RM0.31 million on the back of a RM44.97 million revenue. With its infrastructure and sales team in place, YLM is confident of achieving higher revenue and profit in 2005.

Sementra Plantations Sdn. Bhd. (SP)

SP recorded a lower pre-tax profit of RM0.41 million on the back of lower revenue of RM0.98 million for the financial year ended December 31, 2004. The decline in pre-tax profit and revenue was mainly attributable to the lower yield of FFB as a result of replanting programs undertaken. Continuous efforts have been undertaken to increase its yield per hectare in order to increase its revenue and profitability.

Desa Tea Sdn. Bhd. (DT)

DT recorded a revenue and pre-tax loss of RM2.23 million and RM0.80 million respectively in year 2004 (2003: RM1.69 million and RM1.07 million). DT continued to suffer losses due to insufficient sales arising from fierce competition among tea manufacturers. During the year, DT had successfully signed a contract to pack tea for a well-known local singer, Siti Nurhaliza under the brand name "C-Tea". The sales of C-Tea since its launch has been encouraging. DT has also expanded its export market by signing contracts with overseas distributors to promote its organic tea under the brand name "Borneo Rainforest". DT foresees an increase in both revenue and profitability in the future.

Sabah Tea Sdn. Bhd. (ST)

ST recorded a lower pre-tax loss of RM0.15 million as compared to RM0.20 million in the previous year. The improvement in its performance was attributed to successful tourism promotion events such as the "Sabah Tea 24 hour Mountain Biking Race" and "Sabah Tea Adventure Race 2004" organised by ST and supported by both the Malaysian Tourism Promotion Board and the Sabah Tourism Board. ST will continue to organise more events in 2005 to attract more visitors and create awareness of the Sabah Tea Garden.

Mini Motors Sdn. Bhd. (MM)

MM continues to derive rental income from its premises in Kedah. MM managed to maintain its profitability in year 2004.

Palker Sdn. Bhd. (PK)

Despite the increase in revenue by 11.6%, PK recorded a marginal pre-tax loss of RM0.05 million due to higher operating cost. PK will continue to implement cost control measures to reduce its operating cost in order to turnaround in year 2005.

Future Prospects

The Directors foresee the Group's operating environment to remain challenging and competitive in view of the increasing cost of raw materials, packaging, consumables and transportation. As such, the Group will continue to focus on cost controls, productivity and efficiency to cushion the impact in order to remain competitive.

The aerosol can division turned in yet another sterling performance in year 2004. With the increasing demand for aerosol can, this division is confident of capturing an

increased share of both the domestic and export markets. The newly set up foreign company, CPV will commence business operations in the second half of year 2005 and is expected to generate more revenue to the Group.

Barring any unforeseen and adverse circumstances, the Directors expect the Group to perform satisfactorily in year 2005.

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.

I would also like to take this opportunity to congratulate our Group Managing Director, Mr. Lim A Heng @ Lim Kok Cheong, JP for the conferment of Darjah Dato' Paduka Mahkota Perak "D.P.M.P." which carries the title Dato' on April 19, 2005 by the Sultan of Perak in conjunction with his Royal Highness 77th birthday.

Dato' Dr. Haji Mohamed Ishak bin Mohamed Ariff
Chairman

May 6, 2005



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, 2004.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

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

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year except for a subsidiary company, Genlin Investment Limited which is in the process of deregistration.

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	6,749	1,055
Tax expense	(2,699)	(30)
Profit after tax	4,050	1,025
Minority interest	(3)	-
Net profit for the year	4,047	1,025

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 2 sen per share, less tax, amounting to RM902,939 proposed in respect of ordinary shares in the previous financial year and dealt with in the previous directors' report was paid by the Company during the financial year.

The directors have proposed first and final dividends of 2 sen per share, tax-exempt and 1 sen per share, less tax, amounting to RM1,254,080 and RM451,469 respectively in respect of the current financial year. These proposed dividends are subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and have not been included as liabilities 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.

EXECUTIVE SHARE OPTION SCHEME (“ESOS”)

Under the Company’s ESOS which was launched on March 18, 2002, options to subscribe for unissued new ordinary shares of RM1 each in the Company were granted to eligible executive employees and executive directors of the Company and its subsidiary companies.

The salient features of the ESOS are as follows:

- (a) The maximum number of new shares which may be allotted pursuant to the exercise of options under the ESOS shall not exceed ten per cent (10%) of the issued and paid-up share capital of the Company at any point in time during the duration of the ESOS;
- (b) Eligible executive employee is a natural person who is employed by and on the payroll of any company in the Group who fulfils the conditions of eligibility, including full time executive directors of the Group;
- (c) No eligible executive employee shall at any time participate in more than one (1) ESOS implemented by any company within the Group;
- (d) No option shall be granted for less than 1,000 ordinary shares nor more than 420,000 ordinary shares, and shall be exercised in multiples of 1,000 ordinary shares;
- (e) The subscription price shall be determined by the higher of the five (5) day weighted average market price of the Company’s shares preceding the date of offer, with a discount of not more than ten per cent (10%), if deemed appropriate and the par value of the shares; and
- (f) The options granted may be exercised at anytime within a period of five (5) years from March 18, 2002 to March 17, 2007 subject to a maximum of twenty per cent (20%) per annum of the options granted.

The share options exercised and lapsed during the financial year are as follows:

Exercisable from	Subscription price per ordinary share RM	Number of options over ordinary shares of RM1 each			Balance as of 31.12.2004
		Balance as of 1.1.2004	Exercised	Lapsed due to resignation/retirement	
18.3.2002	1.58	5,026,000	-	(341,000)	4,685,000

OTHER FINANCIAL INFORMATION

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

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

DIRECTORS' REPORT

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

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

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

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

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

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

DIRECTORS

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

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

In accordance with Article 80 of the Company's Articles of Association, Y. Bhg. Dato' Dr. Haji Mohamed Ishak bin Mohamed Ariff, DSPN, JSM, DJN, SMS, KMN, PPT, PJK, Mr. Lim A Heng @ Lim Kok Cheong, JP and Mr. Lee Kee Hong retire by rotation and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

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

	Number of ordinary shares of RM1 each			Balance as of 31.12.2004
	Balance as of 1.1.2004	Bought	Sold	
Shares in the Company				
Registered in the name of directors				
Y. Bhg. Dato' Dr. Haji Mohamed Ishak bin Mohamed Ariff, DSPN, JSM, DJN, SMS, KMN, PPT, PJK	1,206,666	-	-	1,206,666
Mr. Lim A Heng @ Lim Kok Cheong, JP	280,000	50,300	-	330,300
Mr. Chok Hooa @ Chok Yin Fatt, PMP	10,333	2,000	-	12,333
Mr. Thang Lai Sung	8,333	-	-	8,333
Mr. Lim Ee Young	38,333	-	-	38,333
Y.B. Mohd Adhan bin Kechik, SMK	16,666	-	-	16,666
Mr. Lee Kee Hong	8,333	-	-	8,333
Indirect interest				
Mr. Lim A Heng @ Lim Kok Cheong, JP	33,860,732	127,900	-	33,988,632
Mr. Lim Ee Young	3,333	-	-	3,333
Shares in the holding company, Yee Lee Organization Bhd.				
Registered in the name of directors				
Mr. Lim A Heng @ Lim Kok Cheong, JP	2,751	-	-	2,751
Mr. Thang Lai Sung	1,716	-	-	1,716
Mr. Lim Ee Young	25,879	-	-	25,879
Mr. Lee Kee Hong	11,550	-	-	11,550
Indirect interest				
Mr. Lim A Heng @ Lim Kok Cheong, JP	7,494,954	207,500	-	7,702,454

In addition to the above, the following directors are deemed to have interests in the shares of the Company to the extent of options granted to them pursuant to the ESOS of the Company which was launched on March 18, 2002:

	Number of options over ordinary shares of RM1 each			Balance as of 31.12.2004
	Balance as of 1.1.2004	Granted	Exercised	
Mr. Lim A Heng @ Lim Kok Cheong, JP	340,000	-	-	340,000
Mr. Chok Hooa @ Chok Yin Fatt, PMP	360,000	-	-	360,000
Mr. Thang Lai Sung	260,000	-	-	260,000
Mr. Lim Ee Young	150,000	-	-	150,000

DIRECTORS' REPORT

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

Major (R) Mohd Ramli bin Othman 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 amount of emoluments received or due and receivable by directors as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions between the Company and certain companies in which certain directors of the Company are also directors and/or shareholders as disclosed in Note 18 to the Financial Statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for options granted to certain directors pursuant to the Company's ESOS as disclosed above and in Note 24 to the Financial Statements.

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, JP
Group Managing Director

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

Ipoh,
April 8, 2005

REPORT OF THE AUDITORS

TO THE MEMBERS OF YEE LEE CORPORATION BHD.

We have audited the accompanying balance sheets as of December 31, 2004 and the related statements of income, changes in equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's directors. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

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, 2004 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 Companies Act, 1965 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 Companies Act, 1965 to be kept by the Company and by the subsidiary companies of which we have acted as auditors, have been properly kept in accordance with the provisions of the Companies Act, 1965.

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

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

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Sub-section (3) of Section 174 of the Companies Act, 1965.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

YEOH SIEW MING
2421/05/05(J)
Partner

April 8, 2005

INCOME STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2004

	Note	The Group		The Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Revenue	4	361,854	280,337	1,876	1,368
Other operating income	6	2,919	2,268	-	-
Purchase of finished goods and trading merchandise		(120,054)	(73,555)	-	-
Changes in inventories of finished goods, trading merchandise and work-in-progress		6,307	5,687	-	-
Raw materials and consumables used		(172,337)	(143,666)	-	-
Staff costs	6	(23,582)	(20,799)	-	-
Depreciation of property, plant and equipment	11	(7,174)	(6,952)	-	-
Amortisation of goodwill	15	(282)	(282)	-	-
Other operating expenses	6	(35,997)	(33,184)	(232)	(275)
Profit from operations		11,654	9,854	1,644	1,093
Finance costs	7	(6,528)	(6,493)	(89)	(76)
Share of profit of an associated company		1,144	1,420	-	-
Income from other investments	8	979	1,039	-	-
Allowance for diminution in value of unquoted investment	14	(500)	-	(500)	-
Profit before tax		6,749	5,820	1,055	1,017
Tax expense:	9				
The Company and its subsidiary companies		(2,399)	(3,060)	(30)	(67)
Share of tax of an associated company		(300)	(582)	-	-
		(2,699)	(3,642)	(30)	(67)
Profit after tax		4,050	2,178	1,025	950
Minority interest		(3)	(9)	-	-
Net profit for the year		4,047	2,169	1,025	950
Earnings per ordinary share					
Basic (sen)	10	6.45	3.46		
Diluted (sen)	10	6.45	3.46		

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

BALANCE SHEETS

AS OF DECEMBER 31, 2004

	Note(s)	The Group		The Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
ASSETS					
Property, plant and equipment	11	169,754	153,157	-	-
Investments in subsidiary companies	12	-	-	57,870	55,870
Investment in associated company	13	26,319	25,872	23,136	23,136
Other investments	14	3,221	3,721	2,954	3,454
Goodwill on consolidation	15	5,891	6,173	-	-
Current Assets					
Inventories	16	57,167	45,544	-	-
Trade receivables	17&18	66,903	50,665	-	-
Amount owing by holding company	18	6,224	7,907	-	-
Amount owing by subsidiary companies	18	-	-	13,472	13,478
Amount owing by other related companies	18	12,009	13,621	-	-
Other receivables, deposits and prepaid expenses	17&18	14,328	10,650	1,174	1,177
Tax recoverable		1,129	1,809	75	35
Fixed deposits, cash and bank balances	19	5,156	4,095	4	1
Total Current Assets		162,916	134,291	14,725	14,691

BALANCE SHEETS
AS OF DECEMBER 31, 2004

	Note(s)	The Group		The Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Current Liabilities					
Trade payables	18&20	37,910	35,133	-	-
Other payables and accrued expenses	18&20	15,613	13,359	90	84
Amount owing to subsidiary companies	18	-	-	11,924	9,817
Amount owing to other related companies	18	30	38	-	-
Hire-purchase payables	18&21	2,785	1,840	-	-
Borrowings	22	134,406	113,076	1,005	1,706
Tax liabilities		35	42	-	-
Total Current Liabilities		190,779	163,488	13,019	11,607
Net Current (Liabilities)/Assets		(27,863)	(29,197)	1,706	3,084
		177,322	159,726	85,666	85,544
Long-term and Deferred Liabilities					
Hire-purchase payables - non-current portion	18&21	5,176	1,890	-	-
Borrowings - non-current portion	22	5,510	7,751	-	-
Deferred tax liabilities	23	15,835	11,971	-	-
Total Long-term and Deferred Liabilities		(26,521)	(21,612)	-	-
Minority interests		(214)	(213)	-	-
Net Assets		150,587	137,901	85,666	85,544
Represented by:					
Issued capital	24	62,704	62,704	62,704	62,704
Reserves	25	87,883	75,197	22,962	22,840
Shareholders' Equity		150,587	137,901	85,666	85,544

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2004

The Group	Note	← Non-distributable Reserves →					Distributable	Total Shareholders' Equity RM'000
		Issued Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Reserve on Consolidation RM'000	Translation Reserve RM'000	Reserve Unappropriated Profit RM'000	
Balance as of January 1, 2003								
As previously stated		62,704	52	14,230	509	-	60,440	137,935
Prior year adjustments		-	-	-	-	-	(397)	(397)
Restated balance	26	62,704	52	14,230	509	-	60,043	137,538
Revaluation reserve realised		-	-	(1,143)	-	-	1,143	-
Net profit for the year								
As previously stated		-	-	-	-	-	2,176	2,176
Prior year adjustments		-	-	-	-	-	(7)	(7)
Restated balance	26	-	-	-	-	-	2,169	2,169
Dividends	27	-	-	-	-	-	(1,806)	(1,806)
Balance as of December 31, 2003								
As previously stated		62,704	52	13,087	509	-	61,953	138,305
Prior year adjustments		-	-	-	-	-	(404)	(404)
Restated balance	26	62,704	52	13,087	509	-	61,549	137,901
Surplus on revaluation of land and buildings		-	-	9,543	-	-	-	9,543
Currency translation differences		-	-	-	-	(1)	-	(1)
Net gain and loss not recognised in the income statements		-	-	9,543	-	(1)	-	9,542
Net profit for the year		-	-	-	-	-	4,047	4,047
Dividends	27	-	-	-	-	-	(903)	(903)
Balance as of December 31, 2004								
		62,704	52	22,630	509	(1)	64,693	150,587

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2004

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, 2003		62,704	52	2,262	21,382	86,400
Net profit for the year		-	-	-	950	950
Dividends	27	-	-	-	(1,806)	(1,806)
Balance as of December 31, 2003		62,704	52	2,262	20,526	85,544
Net profit for the year		-	-	-	1,025	1,025
Dividends	27	-	-	-	(903)	(903)
Balance as of December 31, 2004		62,704	52	2,262	20,648	85,666

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2004

	The Group	
	2004	2003
Note	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	6,749	5,820
Adjustments for:		
Depreciation of property, plant and equipment	7,174	6,952
Finance costs	6,528	6,493
Bad debts written off	722	374
Allowance for doubtful debts	559	317
Allowance for diminution in value of unquoted investment	500	-
Amortisation of goodwill on consolidation	282	282
Property, plant and equipment written off	149	254
Deficit arising from revaluation of property, plant and equipment	17	-
Inventories written off	9	-
Loss/(Gain) on disposal of property, plant and equipment	7	(634)
Share of profit of an associated company	(1,144)	(1,420)
Interest income	(978)	(1,038)
Allowance for doubtful debts no longer required	(188)	(9)
Gain on foreign currency translation	(1)	-
Dividend income	(1)	(1)
Allowance for obsolete inventories	-	41
	<hr/>	<hr/>
Operating Profit Before Working Capital Changes	20,384	17,431
(Increase)/Decrease in:		
Inventories	(11,632)	(6,236)
Trade receivables	(17,332)	3,885
Other receivables, deposits and prepaid expenses	(3,676)	(2,866)
Amount owing by holding company	1,683	736
Amount owing by other related companies	1,613	(1,386)
Increase/(Decrease) in:		
Trade payables	2,777	509
Other payables and accrued expenses	2,242	1,418
Amount owing to other related companies	(8)	(85)
	<hr/>	<hr/>
Cash (Used In)/From Operations	(3,949)	13,406
Interest received	978	1,038
Tax paid	(1,319)	(3,306)
	<hr/>	<hr/>
Net Cash (Used In)/From Operating Activities	(4,290)	11,138

CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2004

	Note	The Group	
		2004 RM'000	2003 RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Dividends received from associated company		396	331
Proceeds from disposal of property, plant and equipment		221	2,116
Dividends received from quoted shares		1	1
Purchase of property, plant and equipment	29(a)	(4,385)	(3,940)
Placement of fixed deposits		(12)	-
Acquisition of additional shares in an associated company		-	(333)
Net Cash Used In Investing Activities		(3,779)	(1,825)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from bankers' acceptances		17,496	9,400
Proceeds from revolving credits		8,500	3,500
Finance costs paid		(6,519)	(6,508)
Repayment of hire-purchase payables		(2,548)	(2,729)
Repayment of term loans		(2,288)	(6,961)
Repayment of bankers' acceptances		(2,242)	-
Dividends paid		(903)	(1,806)
Dividends paid to minority shareholders		(2)	(5)
Repayment of trust receipts		-	(3,374)
Repayment of revolving credits		-	(1,500)
Net Cash From/(Used In) Financing Activities		11,494	(9,983)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		3,425	(670)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		(15,599)	(14,929)
CASH AND CASH EQUIVALENTS AT END OF YEAR	29(b)	(12,174)	(15,599)

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2004

	Note	The Company	
		2004 RM'000	2003 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit before tax		1,055	1,017
Adjustments for:			
Allowance for diminution in value of unquoted investment		500	-
Finance costs		89	76
Waiver of debt		8	72
Dividend income		(1,876)	(1,368)
		<hr/>	<hr/>
Operating Loss Before Working Capital Changes		(224)	(203)
Decrease/(Increase) in other receivables, deposits and prepaid expenses		3	(1)
Increase/(Decrease) in other payables and accrued expenses		5	(1)
		<hr/>	<hr/>
Cash Used In Operations		(216)	(205)
Dividends received		1,806	1,298
		<hr/>	<hr/>
Net Cash From Operating Activities		1,590	1,093
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of additional shares in a subsidiary company		(2,000)	-
Advances granted to subsidiary companies		(1)	(16)
Acquisition of a subsidiary company		-	(1,000)
Acquisition of additional shares in an associated company		-	(333)
		<hr/>	<hr/>
Net Cash Used In Investing Activities		(2,001)	(1,349)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Advances received from a subsidiary company		2,107	2,400
Dividends paid		(903)	(1,806)
Finance costs paid		(89)	(76)
Repayment of revolving credits		-	(1,000)
		<hr/>	<hr/>
Net Cash From/(Used In) Financing Activities		1,115	(482)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		704	(738)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
		(705)	33
CASH AND CASH EQUIVALENTS AT END OF YEAR			
	29(b)	(1)	(705)

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

NOTES TO

THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The Company is principally involved in investment holding.

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

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year except for a subsidiary company, Genlin Investment Limited which is in the process of deregistration.

The total number of employees of the Group and of the Company as of December 31, 2004 were 1,302 (2003: 1,219) and Nil (2003: Nil) respectively.

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

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the directors on April 8, 2005.

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 in Malaysia.

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, unless otherwise indicated in the accounting policies stated below.

Basis of Consolidation

(i) Subsidiary Companies

The consolidated financial statements incorporate the financial statements of the Company and of the subsidiary companies controlled by the Company made up to December 31, 2004.

A subsidiary company is a company where the Group has control through the power to govern the financial and operating policies of the subsidiary so as to obtain benefits therefrom. Control is presumed to exist when the Group owns, directly or indirectly through subsidiary companies, more than one half of the voting rights of the subsidiary.

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 transactions, balances and resulting unrealised gains are eliminated on consolidation. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

(ii) 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 investment in associated company is accounted for under the equity method of accounting based on the latest management financial statements of the associated company made up to December 31, 2004. Under this method of accounting, the Group's interest in the post-acquisition profits and reserves of the associated company is included in the consolidated results while dividend received is reflected as a reduction of the investment in the consolidated balance sheet.

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

Revenue Recognition

Sales of goods are recognised upon delivery of products and when the risks and rewards of ownership have passed to the customers. Income from provision of tourism related services are recognised when services are provided. Sales represent gross invoiced value of goods sold and services provided net of sales tax and trade discounts.

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 shareholder's rights to receive payment is established.

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

Foreign Currency

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, the assets and liabilities are converted at approximate exchange rates prevailing at that date. All foreign exchange gains or losses are taken up in the income statements.

For the purpose of consolidation, the financial statements of foreign incorporated subsidiaries have been translated into Ringgit Malaysia as follows:

Assets and liabilities	-	at closing rate
Issued capital	-	at historical rate
Revenue and expense	-	at average rate

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Currency	2004	2003
Hong Kong Dollar	2.050	2.063
Vietnamese Dong	4,163.730	-

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 subsidiaries are disposed of.

Deferred Taxation

Deferred tax is accounted for in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilised.

Property, Plant and Equipment

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

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 class of 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 class of asset that was recognised as an expense, is credited to income statements to the extent that it offsets the previously recorded decrease. On disposal of revalued assets, the amounts in revaluation reserve account relating to the assets disposed are transferred to unappropriated profit account.

Freehold land, plantation development expenditure and capital work-in-progress are not depreciated. Leasehold land is amortised evenly over the lease period ranging from 26 to 90 years.

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The annual depreciation rates are as follows:

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

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 statements.

Property, Plant and Equipment 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.

Investments

Investments in subsidiary companies, which are eliminated on consolidation and investment in associated company, are stated in the Company's financial statements at cost or valuation less accumulated impairment losses, 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.

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

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

Goodwill/Reserve

Goodwill arising on consolidation represents the excess of purchase consideration over the share of the fair values of the identifiable net assets of the subsidiary companies at the date of acquisition.

Goodwill is recognised as an asset and is amortised on a systematic basis following an assessment of the economic useful life of the assets, subject to a maximum of 25 years.

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

Goodwill/Reserve arising on the acquisition of associated company is included within the carrying amount of the associated company and represents the difference between the purchase consideration over the Group's interest in the fair values of the identifiable net assets of the associated company at the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of Assets

At each balance sheet date, the Group and the Company review the carrying amounts of assets (other than inventories and financial assets, which are dealt with in their respective policies) to determine if there is any indication that those assets may be impaired. If any such indication exists, the asset's recoverable amount, which is the higher of net selling price and value in use, is estimated.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the income statements unless the asset is carried at revalued amount, in which case, the impairment loss is treated as a revaluation decrease.

An impairment loss in respect of goodwill is not reversed unless the loss is caused by a specific external event of an exceptional nature that it is not expected to recur and subsequent external events have occurred that reverse the effect of that event. In respect of other assets, an impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal is recognised in the income statements, unless it reverses an impairment loss on revalued assets, in which case, the reversal is treated as revaluation increase.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined principally on the "First-in, First-out" and "Weighted Average" methods. Cost of trading merchandise, raw materials, consumables, factory supplies, 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.

Research and Development Costs

Research costs relating to the original and planned investigation undertaken with the prospect of gaining new technical knowledge and understanding, are recognised as an expense when incurred.

Development costs represent costs incurred in the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems, or services prior to the commencement of commercial production or use. Development costs are charged to the income statements in the year in which it is incurred except where a clearly-defined project is undertaken and it is probable that the development costs will give rise to future economic benefits. Such development costs are recognised as an intangible asset and amortised on a straight-line method over the life of the project from the date of commencement of commercial operation.

Receivables

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

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Employee Benefits

Short-term employee benefits

All short-term employee benefits, including accumulated compensated absences, are recognised in the income statements in the period in which the employees render their services to the Group.

Defined contribution plan

The Group and the Company are required by law to make monthly contributions to the Employees' Provident Fund ("EPF"), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees' salaries. The Group's and the Company's contributions to the EPF is disclosed separately. The employees' contributions to EPF are included in salaries.

Employee equity compensation benefits

The Company has an Executive Share Option Scheme ("ESOS") whereby options to subscribe for ordinary shares in the Company were granted to eligible executive employees and executive directors of the Company and its subsidiary companies. No compensation cost or obligation is recognised. When the options are exercised, equity is increased by the amount of the proceeds received.

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	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Sale of goods	361,484	280,086	-	-
Tourism related services	370	251	-	-
Dividend income:				
Subsidiary companies	-	-	1,478	1,037
Associated company	-	-	398	331
	-	-	1,876	1,368
	361,854	280,337	1,876	1,368

5. SEGMENT REPORTING

Business segments

For management purposes, the Group is organised into the following operating divisions:

- manufacturing (includes cooking oils, margarine, shortening, corrugated paper cartons, crude palm oil, kernel and general line tin cans)
- trading (includes edible oils, kernel and other consumer products)
- plantation (includes tea and palm oil)
- others (includes tourism related services and investment holding)

NOTES TO THE FINANCIAL STATEMENTS

5. SEGMENT REPORTING (cont'd)

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

The Group 2004	Manufacturing RM'000	Trading RM'000	Plantation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	133,244	227,566	674	370	-	361,854
Inter-segment sales	173,704	36,661	2,531	1,894	(214,790)	-
Total revenue	306,948	264,227	3,205	2,264	(214,790)	361,854
Results						
Profit/(Loss) from operations	9,476	2,472	(364)	2,275	(2,205)	11,654
Finance costs						(6,528)
Share of profit of an associated company	1,144	-	-	-	-	1,144
Income from other investments						979
Allowance for diminution in value of unquoted investment						(500)
Profit before tax						6,749
Tax expense						(2,699)
Profit after tax						4,050
Other information						
Capital additions	8,417	2,374	512	1	(40)	11,264
Depreciation	4,914	1,578	581	200	-	7,273
Amortisation of goodwill	76	90	-	116	-	282
Consolidated Balance Sheet						
Assets						
Segment assets	245,101	125,522	36,352	114,368	(180,690)	340,653
Investment in an associated company	26,319	-	-	-	-	26,319
Unallocated corporate assets						1,129
Consolidated total assets						368,101
Liabilities						
Segment liabilities	37,949	84,238	15,230	26,885	(110,749)	53,553
Unallocated corporate liabilities						163,747
Consolidated total liabilities						217,300

NOTES TO THE FINANCIAL STATEMENTS

5. SEGMENT REPORTING (cont'd)

The Group 2003	Manufacturing RM'000	Trading RM'000	Plantation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	112,852	166,985	249	251	-	280,337
Inter-segment sales	149,685	33,498	2,444	1,386	(187,013)	-
Total revenue	262,537	200,483	2,693	1,637	(187,013)	280,337
Results						
Profit/(Loss) from operations	8,208	2,144	(520)	1,627	(1,605)	9,854
Finance costs						(6,493)
Share of profit of an associated company	1,420	-	-	-	-	1,420
Income from other investments						1,039
Profit before tax						5,820
Tax expense						(3,642)
Profit after tax						2,178
Other information						
Capital additions	3,117	659	614	4	(64)	4,330
Depreciation	4,841	1,413	599	202	-	7,055
Amortisation of goodwill	76	89	1	116	-	282
Consolidated Balance Sheet						
Assets						
Segment assets	219,257	106,942	31,907	109,458	(172,031)	295,533
Investment in an associated company	25,872	-	-	-	-	25,872
Unallocated corporate assets	-	-	-	-	-	1,809
Consolidated total assets						323,214
Liabilities						
Segment liabilities	43,193	70,849	14,467	24,688	(104,667)	48,530
Unallocated corporate liabilities	-	-	-	-	-	136,570
Consolidated total liabilities						185,100
Geographical segments						

Information on the Group's operations and analysis of the carrying amounts of segment assets and capital additions by geographical segment has not been provided as the Group operates principally in Malaysia.

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

NOTES TO THE FINANCIAL STATEMENTS

6. OTHER OPERATING INCOME/(EXPENSES) AND STAFF COSTS

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

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Rental income:				
Premises	299	338	-	-
Hot and cold water dispensers	39	48	-	-
Motor vehicles	4	6	-	-
Allowance for doubtful debts no longer required	188	9	-	-
(Loss)/Gain on disposal of property, plant and equipment	(7)	634	-	-
Directors' remuneration:				
Directors of the Company:				
Fees	(81)	(76)	(66)	(61)
Other emoluments	(746)	(734)	(21)	(22)
Directors of the subsidiary companies:				
Fees	(31)	(26)	-	-
Other emoluments	(745)	(947)	-	-
Bad debts written off	(722)	(374)	-	-
Allowance for doubtful debts	(559)	(317)	-	-
Rental expense:				
Premises	(499)	(355)	-	-
Bulking facilities	(4)	(17)	-	-
Factory equipment	(1)	-	-	-
Hire of machinery	(175)	(141)	-	-
Auditors' remuneration:				
Statutory audit	(174)	(157)	(18)	(16)
Non-audit services	(3)	(4)	(2)	(3)
Property, plant and equipment written off	(149)	(254)	-	-
Realised loss on foreign exchange	(17)	(1)	(3)	-
Deficit arising from revaluation of property, plant and equipment	(17)	-	-	-
Inventories written off	(9)	-	-	-
Research and development expenses	(1)	(2)	-	-
Allowance for obsolete inventories	-	(41)	-	-

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

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Contributions to EPF:				
Staff costs	2,144	1,964	-	-
Directors' remuneration	142	120	-	-

NOTES TO THE FINANCIAL STATEMENTS

7. FINANCE COSTS

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Interest on:				
Bankers' acceptances	2,729	2,353	-	-
Bank overdrafts	1,352	1,561	49	32
Revolving credits	1,083	847	40	44
Term loans	706	854	-	-
Hire-purchase	615	709	-	-
Trust receipts	43	169	-	-
	6,528	6,493	89	76

8. INCOME FROM OTHER INVESTMENTS

	The Group	
	2004 RM'000	2003 RM'000
Interest received on:		
Advances granted to ultimate holding company	554	583
Advances granted to related companies	423	455
Interest income from fixed and short-term deposits	1	-
Dividend income from quoted shares	1	1
	979	1,039

9. TAX EXPENSE

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Income tax:				
Current year	1,594	1,453	47	67
Prior year	398	1,076	(17)	-
	1,992	2,529	30	67
Deferred tax (Note 23):				
Relating to origination and reversal of temporary differences	561	933	-	-
Relating to crystallisation of deferred tax liability on revaluation surplus of property, plant and equipment	(154)	(488)	-	-
	407	445	-	-
Real Property Gains Tax	-	86	-	-
Share of tax of an associated company	300	582	-	-
	2,699	3,642	30	67

NOTES TO THE FINANCIAL STATEMENTS

9. TAX EXPENSE (cont'd)

A numerical reconciliation of income tax expense at the applicable income tax rate to income tax expense at the effective income tax rate is as follows:

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Profit before tax	6,749	5,820	1,055	1,017
Tax at the applicable statutory income tax rate of 28%	1,890	1,630	295	285
Tax effects of:				
Temporary differences between tax capital allowances and book depreciation of property, plant and equipment	3,668	4,432	-	-
Expenses that are not deductible in determining taxable profit	2,725	1,757	207	95
Unutilised tax losses and unabsorbed agricultural and tax capital allowances carried forward	189	-	-	-
Utilisation of reinvestment allowances	(2,176)	(2,885)	-	-
Utilisation of unabsorbed tax capital allowances and unutilised tax losses	(3,358)	(2,070)	-	-
Income that are not taxable in determining taxable profit	(477)	(328)	(455)	(313)
Effect of difference in tax rate applicable to small and medium scale companies	(160)	(56)	-	-
Real Property Gains Tax	-	86	-	-
Income tax - prior year	398	1,076	(17)	-
Tax expense for the year	2,699	3,642	30	67

NOTES TO THE FINANCIAL STATEMENTS

9. TAX EXPENSE (cont'd)

As of December 31, 2004, the Company has tax credit and tax-exempt accounts balances of approximately RM7,730,000 and RM19,263,000 (2003: RM8,081,000 and RM18,626,000) respectively. The tax-exempt accounts arose from claims for abatement of statutory income for exports under Section 37 of the Promotion of Investment Act, 1986, reinvestment allowances claimed and utilised under Schedule 7A of the Income Tax Act, 1967 and chargeable income waived in 1999 in accordance with the Income Tax (Amendment) Act, 1999. The tax-exempt accounts, which are subject to approval by the tax authorities, are available for distribution as tax-exempt dividends to the shareholders of the Company.

As of December 31, 2004, certain subsidiary companies have tax credits and tax-exempt accounts balances of approximately RM13,687,000 and RM20,257,000 (2003: RM13,083,000 and RM18,265,000) respectively. The tax-exempt accounts arose from abatement of statutory income for exports under Section 37 of the Promotion of Investment Act, 1986, reinvestment allowances claimed and utilised under Schedule 7A of the Income Tax Act, 1967 and chargeable income waived in 1999 in accordance with the Income Tax (Amendment) Act, 1999. The tax-exempt accounts, which are subject to approval by the tax authorities, are available for distribution as tax-exempt dividends to the shareholders of the subsidiary companies.

10. EARNINGS PER ORDINARY SHARE

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

	The Group	
	2004 RM'000	2003 RM'000
Basic/Fully Diluted		
Net profit attributable to ordinary shareholders	4,047	2,169
	2004 Units	2003 Units
Weighted average number of ordinary shares in issue	62,704	62,704
	2004	2003
Basic earnings per ordinary share (sen)	6.45	3.46

The Group has no dilution in its earnings per share arising from the ESOS as the fair value of the ordinary shares is currently lower than the subscription price. Therefore, there is no shares deemed issued under the ESOS with no consideration for adjustment in the form of an increase in the number of shares which will result in a dilution of its earnings per share.

The comparative basic and diluted earnings per ordinary share have been restated to take into account of the effect of the change in accounting policy (as mentioned in Note 26) on net profit attributable to ordinary shareholders.

NOTES TO THE FINANCIAL STATEMENTS

11. 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	Revaluation RM'000	Disposals RM'000	Reclassification RM'000	
Freehold land:						
At valuation	1,401	-	21,739	-	-	23,140
At cost	19,843	-	(19,843)	-	-	-
Long-term leasehold land and improvements:						
At valuation	28,021	-	4,264	-	-	32,285
At cost	3,758	2	(3,760)	-	-	-
Short-term leasehold land:						
At valuation	8,102	-	5,415	-	-	13,517
At cost	2,710	-	(2,710)	-	-	-
Buildings:						
At valuation	29,120	-	17,752	-	-	46,873
At cost	20,735	179	(20,914)	-	-	-
Electricity and water supply system	158	-	(12)	-	-	146
Electricity and water supply system under hire-purchase	79	-	-	-	-	79
Plant and machinery	74,636	1,031	-	(492)	560	75,735
Plant and machinery under hire-purchase	6,858	6,508	-	-	(364)	13,002
Motor vehicles	11,561	116	-	(850)	135	10,962
Motor vehicles under hire-purchase	1,157	1,489	-	-	(135)	2,511
Furniture, fixtures and equipment	8,662	950	-	(184)	-	9,428
Plantation development expenditure	2,961	325	-	(12)	-	3,274
Renovations	-	34	-	-	-	34
Capital work-in-progress	1,331	630	-	-	(196)	1,765
Total	221,094	11,264	1,943	(1,550)	-	232,751

NOTES TO THE FINANCIAL STATEMENTS

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

The Group	← Accumulated Depreciation →					At end of year RM'000
	At beginning of year RM'000	Charge for the year RM'000	Revaluation RM'000	Disposals RM'000	Reclassification RM'000	
Freehold land:						
At valuation	-	-	-	-	-	-
At cost	-	-	-	-	-	-
Long-term leasehold land and improvements:						
At valuation	1,913	327	(2,240)	-	-	-
At cost	336	85	(421)	-	-	-
Short-term leasehold land:						
At valuation	792	161	(953)	-	-	-
At cost	212	57	(269)	-	-	-
Buildings:						
At valuation	3,570	616	(4,186)	-	-	-
At cost	2,420	550	(2,970)	-	-	-
Electricity and water supply system	77	8	-	(7)	-	78
Electricity and water supply system under hire-purchase	24	5	-	-	-	29
Plant and machinery	43,276	3,326	-	(362)	99	46,339
Plant and machinery under hire-purchase	1,459	839	-	-	(99)	2,199
Motor vehicles	9,199	459	-	(698)	31	8,990
Motor vehicles under hire-purchase	303	384	-	-	(31)	656
Furniture, fixtures and equipment	4,356	454	-	(106)	-	4,704
Plantation development expenditure	-	-	-	-	-	-
Renovations	-	2	-	-	-	2
Capital work-in-progress	-	-	-	-	-	-
Total	67,937	7,273	(11,039)	(1,174)	-	62,997

NOTES TO THE FINANCIAL STATEMENTS

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

The Group	Net Book Value	
	2004 RM'000	2003 RM'000
Freehold land:		
At valuation	23,140	1,401
At cost	-	19,843
Long-term leasehold land and improvements:		
At valuation	32,285	26,285
At cost	-	3,483
Short-term leasehold land:		
At valuation	13,517	7,031
At cost	-	2,539
Buildings:		
At valuation	46,873	25,551
At cost	-	17,291
Electricity and water supply system	68	81
Electricity and water supply system under hire-purchase	50	55
Plant and machinery	29,396	31,360
Plant and machinery under hire-purchase	10,803	5,399
Motor vehicles	1,972	2,362
Motor vehicles under hire-purchase	1,855	854
Furniture, fixtures and equipment	4,724	5,330
Plantation development expenditure	3,274	2,961
Renovations	32	-
Capital work-in-progress	1,765	1,331
Total	169,754	153,157

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

	The Group	
	2004 RM'000	2003 RM'000
Depreciation of property, plant and equipment	99	103
Audit fee	2	2
Interest on hire-purchase	4	6

During the financial year, depreciation expenses are charged to the following:

	The Group	
	2004 RM'000	2003 RM'000
Income statements	7,174	6,952
Plantation development expenditure	99	103
	7,273	7,055

NOTES TO THE FINANCIAL STATEMENTS

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

The freehold land, leasehold land and improvements and buildings of the subsidiary companies were revalued by the directors in 2004 based on valuations carried out by Ms. Yew Kris Tin, Mr. Lee Thiam Sing, Mr. Joseph Chai Thiam Hee, Mr. Kuvenaraju Pachappen, Mr. Subramaniam A/L Arumugam, Mr. Yap Kian Ann, Mr. Thoo Sing Choon, Mr. Tan Hock Leng and Mr. Siew Kok Kong, registered valuers of Colliers, Jordan Lee & Jaafar Sdn. Bhd., Mr. Chong Choon Kim, a registered valuer of C.H. Williams Talhar & Wong (Sabah) Sdn. Bhd. and Mr. Peter Yapp Fook Sin, a registered valuer of JS Valuers Property Consultants (E.M.) Sdn. Bhd., all of which are independent firms of professional valuers, using the "open market value on existing use" basis. The resulting revaluation surplus amounting to RM9,543,131 (net of related deferred tax of RM3,456,227) has been credited to revaluation reserve account.

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

Land and buildings of a subsidiary company with total carrying amount of RM2,880,000 (2003: RM1,154,287) are pledged to a licensed bank for banking facilities granted to the Group as disclosed in Note 22.

12. INVESTMENTS IN SUBSIDIARY COMPANIES

	The Company	
	2004 RM'000	2003 RM'000
Unquoted shares:		
At directors' valuation	19,850	19,850
At cost	38,020	36,020
	57,870	55,870

The subsidiary companies are as follows:

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2004 %	2003 %	
Direct Subsidiary Companies				
Yee Lee Trading Co. Sdn. Bhd.	Malaysia	100.00	100.00	Marketing and distribution of edible oils and other consumer products.
Yee Lee Palm Oil Industries Sdn. Bhd. *	Malaysia	100.00	100.00	Milling and selling of crude palm oil and kernel.
Yee Lee Edible Oils Sdn. Bhd.	Malaysia	100.00	100.00	Manufacturing of cooking oil, margarine and shortening and trading of consumer products.
South East Asia Paper Products Sdn. Bhd. *	Malaysia	98.67	98.67	Manufacturing and selling of corrugated paper cartons.

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
		2004 %	2003 %	
Direct Subsidiary Companies				
Canpac Sdn. Bhd.	Malaysia	100.00	100.00	Manufacturing and selling of general line tin cans.
Intanwasa Sdn. Bhd.	Malaysia	100.00	100.00	Investment holding.
Genlin Investment Limited **	Hong Kong	100.00	100.00	In the process of deregistration.
Yee Lee Marketing Sdn. Bhd. *	Malaysia	100.00	100.00	Marketing and distribution of consumer products.
Indirect Subsidiary Companies				
<i>Held through Yee Lee Trading Co. Sdn. Bhd.</i>				
Mini Motors Sdn. Bhd. *	Malaysia	100.00	100.00	Investment holding.
<i>Held through Yee Lee Palm Oil Industries Sdn. Bhd.</i>				
Sementra Plantations Sdn. Bhd.	Malaysia	100.00	100.00	Planting of oil palm.
Palker Sdn. Bhd.	Malaysia	100.00	100.00	Trading of crude palm oil and palm kernel.
<i>Held through Canpac Sdn. Bhd.</i>				
Good Cans Sdn. Bhd.	Malaysia	100.00	100.00	Dormant.
Canpac Vietnam Pte. Ltd. *	Vietnam	100.00	-	Pre-operating.
<i>Held through Intanwasa Sdn. Bhd.</i>				
Desa Tea Sdn. Bhd.	Malaysia	100.00	100.00	Planting, processing and distribution of tea.
Sabah Tea Sdn. Bhd.	Malaysia	100.00	100.00	Tourism related services.

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

** No audited financial statements is available since Genlin Investment Limited is in the process of deregistration from the Companies Registry.

During the financial year, Canpac Sdn. Bhd., a wholly-owned subsidiary company of the Company had set up a 100% owned foreign subsidiary company, Canpac Vietnam Pte. Ltd. in Vietnam.

NOTES TO THE FINANCIAL STATEMENTS

13. INVESTMENT IN ASSOCIATED COMPANY

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Quoted shares, at cost	23,136	23,136	23,136	23,136
Share of post-acquisition results, net of dividends received	3,183	2,736*	-	-
	26,319	25,872	23,136	23,136
Market value of quoted shares	17,639	20,556	17,639	20,556

* The share of post-acquisition results, net of dividends received in associated company has been restated as follows:

	RM'000
As previously reported	3,140
Prior year adjustments (Note 26)	(404)
As restated	2,736

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

	The Group	
	2004 RM'000	2003 RM'000
Share of net assets	27,529	27,082
Reserve on acquisition	(1,210)	(1,210)
	26,319	25,872

The associated company of the Group is as follows:

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activity	Financial Year End
		2004 %	2003 %		
Spritzer Bhd.	Malaysia	27.07	27.07	Investment holding.	May 31

NOTES TO THE FINANCIAL STATEMENTS

14. OTHER INVESTMENTS

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
At cost:				
Quoted shares in Malaysia	20	20	-	-
Unquoted shares in Malaysia	247	247	-	-
Unquoted shares outside Malaysia	3,454	3,454	3,454	3,454
Less: Allowance for diminution in value	(500)	-	(500)	-
	2,954	3,454	2,954	3,454
	3,221	3,721	2,954	3,454
Market value of quoted shares	23	21	-	-

15. GOODWILL ON CONSOLIDATION

	The Group	
	2004 RM'000	2003 RM'000
Goodwill:		
At beginning of year	7,059	7,042
Goodwill arising from acquisition of a subsidiary company	-	17
At end of year	7,059	7,059
Cumulative amortisation:		
At beginning of year	886	604
Current amortisation	282	282
At end of year	(1,168)	(886)
Net	5,891	6,173

NOTES TO THE FINANCIAL STATEMENTS

16. INVENTORIES

	The Group	
	2004 RM'000	2003 RM'000
At cost:		
Finished goods and trading merchandise	31,832	29,230
Raw materials	13,871	8,832
Work-in-progress	3,997	2,416
Goods-in-transit	3,185	1,904
Consumables	1,323	1,001
Factory supplies	1,245	1,224
Promotional stocks	1,089	674
At net realisable value:		
Finished goods	625	304
	57,167	45,585
Less: Allowance for obsolete inventories	-	(41)
	57,167	45,544

17. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	The Group	
	2004 RM'000	2003 RM'000
Trade receivables	70,897	54,622
Less: Allowance for doubtful debts	(3,994)	(3,957)
Net	66,903	50,665

The currency profile of trade receivables is as follows:

	The Group	
	2004 RM'000	2003 RM'000
Ringgit Malaysia	67,192	51,970
United States Dollar	2,583	2,023
Australian Dollar	752	231
Singapore Dollar	370	398
	70,897	54,622

NOTES TO THE FINANCIAL STATEMENTS

17. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES (cont'd)

Other receivables, deposits and prepaid expenses consist of:

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Other receivables	11,947	8,668	1,171	1,174
Less: Allowance for doubtful debts	(45)	(45)	-	-
	11,902	8,623	1,171	1,174
Refundable deposits	1,354	902	2	2
Prepaid expenses	1,072	1,125	1	1
	14,328	10,650	1,174	1,177

Trade receivables comprise amounts receivable for the sales of goods and for tourism related services rendered. Other receivables comprise mainly advances, payments on behalf and transport income receivable which are unsecured and interest-free. Transactions with related parties are disclosed in Note 18.

The credit period granted on sales of goods ranged from 14 to 120 days (2003: 14 to 120 days) whilst tourism related services rendered ranged from 30 to 60 days (2003: 30 to 60 days).

18. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

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

The amount owing by holding company arose mainly from trade transactions and advances which are unsecured and have no fixed terms of repayment. Certain advances granted to holding company bear interest rate of 8% (2003: 8%) per annum.

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

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 rate of 8% (2003: 8%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

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

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

Names of related parties	Relationships
Yew Lee Chiong Tin Factory Sdn. Bhd.	<ul style="list-style-type: none">- A company in which Mr. Lim A Heng @ Lim Kok Cheong, JP, a director of the Company, has substantial financial interest.- A company in which Mr. Thang Lai Sung, a director of the Company, is a director.- A company in which Madam Chua Shok Tim @ Chua Siok Hoon, a director of subsidiary companies, has substantial financial interest.
Kolej Teknologi Praktikal Sdn. Bhd. Practical Advanced Technology Sdn. Bhd.	<ul style="list-style-type: none">- Companies in which Mr. Lim A Heng @ Lim Kok Cheong, JP, a director of the Company, has substantial financial interest.- Companies in which Mr. Chok Hooa @ Chok Yin Fatt, PMP and Mr. Lim Ee Young, directors of the Company, are directors.- Companies in which Madam Chua Shok Tim @ Chua Siok Hoon, a director of subsidiary companies, has substantial financial interest.- Companies in which Mr. Goh Mung Chwee, a director of subsidiary companies, is a director.
Cranberry (M) Sdn. Bhd.	<ul style="list-style-type: none">- A company in which Mr. Lim A Heng @ Lim Kok Cheong, JP, a director of the Company, has substantial financial interest.- A company in which Mr. Chok Hooa @ Chok Yin Fatt, PMP and Mr. Lim Ee Young, directors of the Company, are directors.- A company in which Madam Chua Shok Tim @ Chua Siok Hoon, a director of subsidiary companies, is a director and has substantial financial interest.
Yee Lee Oils & Foodstuffs (S) Pte. Ltd.	<ul style="list-style-type: none">- A company in which Mr. Lim A Heng @ Lim Kok Cheong, JP, a director of the Company, is a director and has substantial financial interest.- A company in which Madam Chua Shok Tim @ Chua Siok Hoon, a director of subsidiary companies, has substantial financial interest.- A company in which Mr. Lim Kim Kow, a director of a subsidiary company, is a director.
Kim Huat Engineering (1962) Sdn. Bhd.	<ul style="list-style-type: none">- A company in which Mr. Lim A Heng @ Lim Kok Cheong, JP, a director of the Company, has substantial financial interest.- A company in which Madam Chua Shok Tim @ Chua Siok Hoon, a director of subsidiary companies, has substantial financial interest.- A company in which Mr. Chua Ah Bah @ Chua Siew Seng, a director of subsidiary companies, is a director and has substantial financial interest.

NOTES TO THE FINANCIAL STATEMENTS

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

Names of related parties	Relationships
Sri Puteh Development Sdn. Bhd.	- Companies in which Mr. Lim A Heng @ Lim Kok Cheong, JP, a director of the Company, is a director and has substantial financial interests.
Unikampar Credit And Leasing Sdn. Bhd.	- Companies in which Mr. Thang Lai Sung, a director of the Company, is a director.
	- Companies in which Madam Chua Shok Tim @ Chua Siok Hoon, a director of subsidiary companies, has substantial financial interests.
Multibase Systems Sdn. Bhd.	- A company in which Mr. Lim A Heng @ Lim Kok Cheong, JP, a director of the Company, has substantial financial interest.
	- A company in which Madam Chua Shok Tim @ Chua Siok Hoon, a director of subsidiary companies, has substantial financial interest.
	- A company in which Mr. Lee Kon Cheng and Mr. Chua Ah Bah @ Chua Siew Seng, directors of subsidiary companies, are directors.
Uniyelee Insurance Agencies Sdn. Bhd.	- A company in which Mr. Lim A Heng @ Lim Kok Cheong, JP, a director of the Company, has substantial financial interest.
	- A company in which Mr. Lim Ee Young, a director of the Company, is a director.
	- A company in which Madam Chua Shok Tim @ Chua Siok Hoon, a director of subsidiary companies, is a director and has substantial financial interest.
Manimore Resources Sdn. Bhd.	- A company in which Mr. Lim A Heng @ Lim Kok Cheong, JP, a director of the Company, has substantial financial interest.
	- A company in which Madam Chua Shok Tim @ Chua Siok Hoon, a director of subsidiary companies, has substantial financial interest.
	- A company in which Mr. Goh Mung Chwee, a director of subsidiary companies, is a director.
Chuan Sin Cactus Sdn. Bhd. Chuan Sin Sdn. Bhd.	- Companies in which Mr. Lim A Heng @ Lim Kok Cheong, JP, a director of the Company, is a director and has substantial financial interests.
	- Companies in which Madam Chua Shok Tim @ Chua Siok Hoon, a director of subsidiary companies, is a director and has substantial financial interests.
Golden PET Industries Sdn. Bhd.	- Companies in which Mr. Lim A Heng @ Lim Kok Cheong, JP, a director of the Company, is a director and has substantial financial interests.
Angenet Sdn. Bhd.	
Hidro Dinamik Sdn. Bhd.	- Companies in which Madam Chua Shok Tim @ Chua Siok Hoon, a director of subsidiary companies, has substantial financial interests.

NOTES TO THE FINANCIAL STATEMENTS

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

Names of related parties	Relationships
Multisafe Sdn. Bhd.	<ul style="list-style-type: none"> - A company in which Mr. Lim A Heng @ Lim Kok Cheong, JP, a director of the Company, is a director and has substantial financial interest. - A company in which Madam Chua Shok Tim @ Chua Siok Hoon, a director of subsidiary companies, has substantial financial interest. - A company in which Mr. Lee Kon Cheng, a director of subsidiary companies, is a director.
Transport Master Sdn. Bhd. Intan Serantau Sdn. Bhd. Cactus Marketing Sdn. Bhd.	<ul style="list-style-type: none"> - Companies in which Mr. Lim A Heng @ Lim Kok Cheong, JP, a director of the Company, has substantial financial interests. - Companies in which Madam Chua Shok Tim @ Chua Siok Hoon, a director of subsidiary companies, has substantial financial interests.
Uniyelee Service Agencies Sdn. Bhd.	<ul style="list-style-type: none"> - A company in which Mr. Lim Ee Young, a director of the Company, has substantial financial interest. - A company in which Mr. Chua Ah Bah @ Chua Siew Seng, a director of subsidiary companies, is a director.

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

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Ultimate holding company				
Interest on advances received	554	583	-	-
Subsidiary companies				
Dividends received (gross)	-	-	1,478	1,037
Waiver of debt	-	-	8	72
Associated company				
Dividends received (gross)	-	-	398	331
Other related companies				
Yew Lee Chiong Tin Factory Sdn. Bhd.				
Purchase of goods	554	479	-	-
Transportation fees received	109	128	-	-
Interest on advances received	78	63	-	-
Sale of goods	66	397	-	-
Professional fees received	5	3	-	-
Transportation fees paid	-	1	-	-

NOTES TO THE FINANCIAL STATEMENTS

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

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Kolej Teknologi Praktikal Sdn. Bhd.				
Purchase of property, plant and equipment	13	-	-	-
Rental paid	5	-	-	-
Sale of goods	2	3	-	-
Training services rendered	1	7	-	-
<hr/>				
Cranberry (M) Sdn. Bhd.				
Sale of steam	1,345	1,816	-	-
Sale of goods	538	469	-	-
Interest on advances received	345	392	-	-
Rental on premises received	60	60	-	-
Transportation fees received	32	33	-	-
<hr/>				
Practical Advanced Technology Sdn. Bhd.				
Purchase of property, plant and equipment and training services rendered	602	306	-	-
Sale of goods	2	4	-	-
Rental paid	1	-	-	-
<hr/>				
Yee Lee Oils & Foodstuffs (S) Pte. Ltd.				
Sale of goods	102	94	-	-
<hr/>				
Kim Huat Engineering (1962) Sdn. Bhd.				
Sale of goods	-	97	-	-
<hr/>				
Sri Puteh Development Sdn. Bhd.				
Sale of goods	2	2	-	-
Professional fees received	-	2	-	-
<hr/>				
Other related parties				
Multibase Systems Sdn. Bhd.				
Secretarial and accounting fees payable	50	48	4	4
<hr/>				
Uniyelee Insurance Agencies Sdn. Bhd.				
Insurance premium payable	1,127	1,054	9	8
Professional fees received	1	-	-	-
<hr/>				
Manimore Resources Sdn. Bhd.				
Sale of goods	6	9	-	-
<hr/>				
Chuan Sin Cactus Sdn. Bhd.				
Purchase of goods	7,398	6,753	-	-
<hr/>				

NOTES TO THE FINANCIAL STATEMENTS

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

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Unikampar Credit And Leasing Sdn. Bhd.				
Hire-purchase loans obtained	6,741	313	-	-
Interest on hire-purchase loans paid	615	709	-	-
Sale of goods	3	3	-	-
Professional fees received	2	-	-	-
Golden PET Industries Sdn. Bhd.				
Purchase of goods	8,928	7,034	-	-
Transportation fees received	208	247	-	-
Sale of goods	160	47	-	-
Rental on premises paid	48	1	-	-
Professional fees received	3	6	-	-
Chuan Sin Sdn. Bhd.				
Purchase of goods	24,917	24,857	-	-
Sale of goods	3,057	3,042	-	-
Transportation fees received/receivable	52	219	-	-
Professional fees received	4	6	-	-
Multisafe Sdn. Bhd.				
Sale of goods	1	810	-	-
Transportation fees received/receivable	1	-	-	-
Professional fees received	-	3	-	-
Angenet Sdn. Bhd.				
Purchase of goods	1,898	2,307	-	-
Sale of goods	575	693	-	-
Transportation fees received/receivable	86	107	-	-
Transport Master Sdn. Bhd.				
Contract wages payable	863	931	-	-
Sale of goods	4	5	-	-
Intan Serantau Sdn. Bhd.				
Contract wages payable	271	398	-	-
Uniyelee Service Agencies Sdn. Bhd.				
Insurance premium payable	180	54	-	-
Cactus Marketing Sdn. Bhd.				
Rental on lorry received	4	6	-	-
Hidro Dinamik Sdn. Bhd.				
Purchase of goods	-	323	-	-

NOTES TO THE FINANCIAL STATEMENTS

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

Other than as disclosed elsewhere in the financial statements, the outstanding balances from related party transactions are as follows:

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Receivables:				
Included in trade receivables	862	1,163	-	-
Included in other receivables, deposits and prepaid expenses	4,723	3,189	-	-
Payables:				
Included in trade payables	11,802	9,410	-	-
Included in hire-purchase payables	7,962	3,730	-	-
Included in other payables and accrued expenses	380	396	3	5

The transactions with subsidiary companies are aggregated as these transactions are similar in nature and also no single transaction is significant enough to be disclosed separately in the financial statements.

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.

19. FIXED DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Fixed deposits with licensed bank	13	-	-	-
Cash on hand and at banks	5,143	4,095	4	1
	5,156	4,095	4	1

Fixed deposits amounting to RM12,500 (2003: RMNil) have been pledged to a licensed bank as security for bank guarantees granted to a subsidiary.

The effective interest rate for fixed deposits is 3.75% (2003: Nil%) per annum. The fixed deposits have a maturity period of 365 days (2003: Nil days).

NOTES TO THE FINANCIAL STATEMENTS

20. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs respectively. The credit period granted to the Group for trade purchases ranged from 30 to 120 days (2003: 30 to 120 days).

The currency profile of trade payables is as follows:

	The Group	
	2004 RM'000	2003 RM'000
Ringgit Malaysia	36,203	33,977
United States Dollar	1,707	1,156
	37,910	35,133

Other payables and accrued expenses consist of:

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Other payables	7,100	6,135	4	5
Deposits received	290	335	-	-
Accrued expenses	8,223	6,889	86	79
	15,613	13,359	90	84

The currency profile of other payables is as follows:

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Ringgit Malaysia	7,022	5,878	4	5
Great Britain Pound	71	119	-	-
Euro	7	-	-	-
United States Dollar	-	138	-	-
	7,100	6,135	4	5

Transactions with related parties are disclosed in Note 18.

The amount owing to other payables of the Group and of the Company are unsecured and interest-free.

NOTES TO THE FINANCIAL STATEMENTS

21. HIRE-PURCHASE PAYABLES

	The Group	
	2004 RM'000	2003 RM'000
Principal outstanding	7,961	3,730
Less: Amount due within 12 months (shown under current liabilities)	(2,785)	(1,840)
	5,176	1,890

The non-current portion is repayable as follows:

	The Group	
	2004 RM'000	2003 RM'000
Financial years ending December 31:		
2005	-	1,353
2006	2,009	537
2007	1,263	-
2008	1,275	-
2009	629	-
	5,176	1,890

The terms for hire-purchase ranged from 2 to 5 years. For the financial year ended December 31, 2004, the average effective borrowing rate was 12.88% (2003: 12.69%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

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

22. BORROWINGS

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Unsecured:				
Bankers' acceptances	86,684	72,076	-	-
Bank overdrafts	17,161	19,239	5	706
Revolving credits	27,500	19,000	1,000	1,000
Term loans	7,768	10,057	-	-
Secured:				
Bank overdrafts	157	455	-	-
Bankers' acceptances	646	-	-	-
	139,916	120,827	1,005	1,706
Less: Amount due within 12 months (shown under current liabilities)	(134,406)	(113,076)	(1,005)	(1,706)
	5,510	7,751	-	-

NOTES TO THE FINANCIAL STATEMENTS

22. BORROWINGS (cont'd)

The non-current portion is repayable as follows:

	The Group	
	2004 RM'000	2003 RM'000
Financial years ending December 31:		
2005	-	2,451
2006	2,451	2,451
2007	2,427	2,409
2008 and above	632	440
	5,510	7,751

The average effective interest rates per annum are as follows:

	The Group		The Company	
	2004 %	2003 %	2004 %	2003 %
Bank overdrafts	7.22	7.36	7.00	7.35
Bankers' acceptances	3.22	3.34	-	-
Revolving credits	4.29	4.27	4.00	4.05
Trust receipts	4.65	6.70	-	-
Term loans	7.30	7.23	-	-

The credit facilities of the Group of RM298,810,000 (2003: RM267,167,000) are guaranteed by the Company. Certain credit facilities of the Group amounting to RM2,500,000 (2003: RM2,500,000) are secured by legal charges over a subsidiary company's property, plant and equipment.

23. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority. The following amount determined after appropriate offsetting, is shown in the balance sheet:

	The Group	
	2004 RM'000	2003 RM'000
Deferred tax assets	750	892
Deferred tax liabilities	(16,585)	(12,863)
	(15,835)	(11,971)

NOTES TO THE FINANCIAL STATEMENTS

23. DEFERRED TAX LIABILITIES (cont'd)

The movement of net deferred tax liabilities during the financial year (after offsetting) is as follows:

	The Group	
	2004 RM'000	2003 RM'000
At beginning of year	(11,971)	(11,526)
Amount charged to equity	(3,457)	-
	(15,428)	(11,526)
Transfer from income statements (Note 9)	(407)	(445)
	(15,835)	(11,971)

Represented by:

	The Group	
	2004 RM'000	2003 RM'000
Tax effects of:		
Temporary differences arising from:		
Property, plant and equipment	(7,449)	(6,904)
Revaluation surplus on property, plant and equipment	(9,261)	(5,959)
Receivables	125	-
Unutilised tax losses and unabsorbed agricultural and tax capital allowances	750	892
	(15,835)	(11,971)

As of December 31, 2004, deferred tax assets have not been recognised in respect of the following items:

	The Group	
	2004 RM'000	2003 RM'000
Tax effects of unutilised tax losses and unabsorbed agricultural and tax capital allowances	10,659	10,470

The unutilised tax losses and unabsorbed agricultural and tax capital allowances of the Group are subject to agreement by the tax authorities except for tax effects of unutilised tax losses of approximately RM3,432,000 (2003: RM3,432,000), unabsorbed agricultural and tax capital allowances of approximately RM440,014 (2003: RM123,000), which have been agreed by the Inland Revenue Board.

NOTES TO THE FINANCIAL STATEMENTS

24. SHARE CAPITAL

	The Group and The Company	
	2004	2003
	RM'000	RM'000
Authorised:		
100,000,000 ordinary shares of RM1 each	100,000	100,000
Issued and fully paid:		
62,704,000 ordinary shares of RM1 each	62,704	62,704

Under the Company's ESOS which was launched on March 18, 2002, options to subscribe for unissued new ordinary shares of RM1 each in the Company were granted to eligible executive employees and executive directors of the Company and its subsidiary companies.

The share options exercised and lapsed during the financial year are as follows:

Exercisable from	Subscription price per ordinary share RM	Number of options over ordinary shares of RM1 each			Balance as of 31.12.2004
		Balance as of 1.1.2004	Exercised	Lapsed due to resignation/ retirement	
18.3.2002	1.58	5,026,000	-	(341,000)	4,685,000

The salient features of the ESOS are as follows:

- (a) The maximum number of new shares which may be allotted pursuant to the exercise of options under the ESOS shall not exceed ten per cent (10%) of the issued and paid-up share capital of the Company at any point in time during the duration of the ESOS;
- (b) Eligible executive employee is a natural person who is employed by and on the payroll of any company in the Group who fulfils the conditions of eligibility, including full time executive directors of the Group;
- (c) No eligible executive employee shall at any time participate in more than one (1) ESOS implemented by any company within the Group;
- (d) No option shall be granted for less than 1,000 ordinary shares nor more than 420,000 ordinary shares, and shall be exercised in multiples of 1,000 ordinary shares;
- (e) The subscription price shall be determined by the higher of the five (5) day weighted average market price of the Company's shares preceding the date of offer, with a discount of not more than ten per cent (10%), if deemed appropriate and the par value of the shares; and
- (f) The options granted may be exercised at anytime within a period of five (5) years from March 18, 2002 to March 17, 2007 subject to a maximum of twenty per cent (20%) per annum of the options granted.

NOTES TO THE FINANCIAL STATEMENTS

25. RESERVES

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Non-distributable reserves:				
Share premium	52	52	52	52
Revaluation reserve	22,630	13,087	2,262	2,262
Reserve on consolidation	509	509	-	-
Translation reserve	(1)	-	-	-
	23,190	13,648	2,314	2,314
Distributable reserve:				
Unappropriated profit	64,693	61,549	20,648	20,526
	87,883	75,197	22,962	22,840

Distributable reserves are those available for distribution by way of dividends. Based on the prevailing tax rate applicable to dividends and the estimated tax credits and the tax-exempt accounts balances as mentioned in Note 9, the unappropriated profit of the Company as of December 31, 2004 is available for distribution by way of cash dividends without additional tax liabilities being incurred.

26. PRIOR YEAR ADJUSTMENTS

During the financial year, the associated company changed its accounting policy to comply with Malaysian Accounting Standards Board ("MASB") 25, Income Taxes. The effects of the adoption of MASB 25 have been applied retrospectively, and the effects on prior financial years have been taken up as prior year adjustments in the financial statements. Accordingly, the following accounts in prior years have been restated to reflect the effects of the accounting changes:

The Group	As previously reported RM'000	Adjustments RM'000	As restated RM'000
Financial year ended December 31, 2003			
Net profit for the year	2,176	(7)	2,169
Income tax expense	3,635	7	3,642
As of December 31, 2003			
Investment in associated company	26,276	(404)	25,872
Unappropriated profit	61,953	(404)	61,549
As of December 31, 2002			
Unappropriated profit	60,440	(397)	60,043

27. DIVIDENDS

	The Group and The Company	
	2004	2003
	RM'000	RM'000
First and final dividend paid:		
- 4 sen per share, less tax	-	1,806
- 2 sen per share, less tax	903	-
	<hr/>	<hr/>
	903	1,806
	<hr/>	<hr/>

The directors have proposed first and final dividends of 2 sen per share, tax-exempt and 1 sen per share, less tax, amounting to RM1,254,080 and RM451,469 respectively in respect of the current financial year. These proposed dividends are subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and have not been included as liabilities in the financial statements.

Net dividend per share for the financial year is 2.72 sen (2003: 1.44 sen).

28. FINANCIAL INSTRUMENTS

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

Financial Risk Management Objectives and Policies

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

Foreign currency exchange risk

The Group is exposed to currency risk as a result of the foreign currency transactions entered into by the subsidiary companies in currencies other than their functional currency.

The Group enters into foreign currency forward contracts to limit its exposure on foreign currency receivables and payables.

Interest rate risk

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

Credit risk

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

NOTES TO THE FINANCIAL STATEMENTS

28. FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk

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

Cash flow risk

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

Financial Assets

The Group's principal financial assets are fixed deposits, cash and bank balances, trade and other receivables, amount owing by related companies and equity investments.

The Company's principal financial assets are cash and bank balances, other receivables, amount owing by subsidiary companies and equity investments.

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

Financial Liabilities

The Group's principal financial liabilities are trade and other payables, bank borrowings and amount owing to related companies.

The Company's principal financial liabilities are other payables, bank borrowings and amount owing to subsidiary companies.

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

Off Balance Sheet Derivative Financial Instruments

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

Foreign Currency Forward Contracts

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

At the balance sheet date, the Group had contracted to sell the following amounts under forward contracts:

	2004 RM'000	2003 RM'000	Average Exchange Rate per unit of Ringgit Malaysia	
			2004	2003
United States Dollar	956	782	0.263	0.262

All of these contracts mature within six months of the balance sheet date.

28. FINANCIAL INSTRUMENTS (cont'd)

Fair Values

The carrying amounts and the estimated fair values of the Group's financial instruments as of December 31, 2004 are as follows:

	Note	Carrying Amount RM'000	Fair Value RM'000
Financial Assets			
Investment in quoted shares	14	20	23
Investments in unquoted shares:			
In Malaysia	14	247	-
Outside Malaysia	14	2,954	-
Financial Liabilities			
Term loans	22	7,768	6,661
Off Balance Sheet Items			
Foreign currency forward contracts		956	955

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

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

Amount owing by/(to) related companies

No disclosure is made as it is impractical to determine their fair values with sufficient reliability given these balances have no fixed terms of repayment.

Investment in quoted shares

The market value of quoted shares as of balance sheet date approximates the fair value.

Investments in unquoted shares

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

Term loans

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

Foreign currency forward contracts

The fair values of foreign currency forward contracts are calculated by reference to the current rate for contracts with similar maturity profiles.

NOTES TO THE FINANCIAL STATEMENTS

29. CASH FLOW STATEMENTS

(a) Purchase of property, plant and equipment

Property, plant and equipment were acquired by the following means:

	The Group	
	2004 RM'000	2003 RM'000
Cash purchase	4,385	3,940
Hire-purchase	6,780	287
Depreciation capitalised	99	103
	11,264	4,330

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

(b) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Fixed deposits	13	-	-	-
Cash and bank balances	5,143	4,095	4	1
Bank overdrafts	(17,318)	(19,694)	(5)	(706)
	(12,162)	(15,599)	(1)	(705)
Less: Fixed deposits pledged to a bank	(12)	-	-	-
	(12,174)	(15,599)	(1)	(705)

30. COMMITMENTS

As of December 31, 2004, the Group has the following capital expenditure in respect of property, plant and equipment:

	The Group	
	2004 RM'000	2003 RM'000
Capital expenditure:		
Contracted but not provided for	2,056	-
Approved and not contracted for	50	91
	2,106	91

STATEMENT

BY DIRECTORS

The directors of **YEE LEE CORPORATION BHD.** state that, in their opinion, the accompanying balance sheets and the related statements of income, changes in equity and cash flows are drawn up in accordance with the provisions of the Companies Act, 1965 and the 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, 2004 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, JP
Group Managing Director

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

Ipoh,
April 8, 2005

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

I, **MR. CHOK HOOA @ CHOK YIN FATT, PMP**, the director primarily responsible for the financial management of **YEE LEE CORPORATION BHD.**, do solemnly and sincerely declare that the accompanying balance sheets and the related statements of income, changes in equity and cash flows are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

MR. CHOK HOOA @ CHOK YIN FATT, PMP

Subscribed and solemnly declared by the abovenamed **MR. CHOK HOOA @ CHOK YIN FATT, PMP** at **IPOH** this 8th day of April, 2005.

Before me,

MR. R. SARJEET LAL, PJK
COMMISSIONER FOR OATHS

LIST OF PROPERTIES

AS AT DECEMBER 31, 2004

Location	Tenure	Current Use	Approximate Age of Building (Year)	Land/ Gross Floor Area (sq.metres)	Date of 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	29	34,368/ 18,967	23.09.2004	15,750
Lot No. 324, Town of Melaka, District of Melaka Tengah, Melaka	Leasehold expiring on 19.12.2075	Double storey shophouse	33	277/ 274	05.08.2004	290
Plot No. 26 Mukim of Bukit Katil, District of Melaka Tengah, Melaka	Leasehold expiring on 30.05.2072	Single storey semi-detached factory	34	2,013/ 720	06.08.2004	715
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	23	1,608/ 839	18.08.2004	1,830
Lot No. 15624, Mukim of Kuala Kuantan, Kuantan, Pahang	Freehold	Double storey shophouse	26	149/ 263	05.08.2004	280
P.T. No. 10010, Mukim of Kuala Kuantan, Kuantan, Pahang	Leasehold expiring on 18.07.2044	Single storey semi-detached factory	25	922/ 460	06.08.2004	340
Lot No. PT 8438, Mukim of Batu, District of Gombak, Selangor Darul Ehsan	Leasehold expiring on 09.07.2078	Double storey factory building	17	2,553/ 2,888	20.08.2004	3,100
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	20.08.2004	208
Lot 2240, Section 66 Kuching Town Land District, Kuching, Sarawak	Leasehold expiring on 17.03.2042	Single storey factory cum double storey office	19	3,103/ 2,003	20.08.2004	2,250

**LIST OF PROPERTIES
AS AT DECEMBER 31, 2004**

Location	Tenure	Current Use	Approximate Age of Building (Year)	Land/ Gross Floor Area (sq.metres)	Date of Last Revaluation	Net Book Value RM'000
Town Lease No. 077532828, District of Sandakan, Sandakan, Sabah	Leasehold expiring on 31.12.2029	1 1/2 storey semi-detached warehouse	24	585/809	24.08.2004	500
Lease No. 105430000, District of Tawau, Tawau, Sabah	Leasehold expiring on 31.12.2042	Single storey detached factory	22	2,086/1532	23.08.2004	800
Lot Nos. 4337 and 4338, Mukim 13, Daerah Timur Laut, Penang	Freehold	2 adjoining units of 3-storey shophouse	20	334/662	20.08.2004	1,100
Unit Nos. 1902, 1903, 19th Floor, Sun Complex, Kuala Lumpur	Freehold	2 adjoining Apartment units	26	184	24.08.2004	280
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	8	1,138/3,185	20.08.2004	2,900
Blk 7 & 8, Jalan Kilang, Sedco Industrial Estate, Miles 5 1/2, Tuaran Road, Kota Kinabalu, Sabah	Leasehold expiring on 31.12.2073	2 double storey industrial buildings	8	276/555	20.08.2004	790
PT No 31095, HS(D) 24203 Mukim of Batu, District of Gombak, Selangor Darul Ehsan	Freehold	3-storey office and warehouse	4	14,729/5,184	26.08.2004	13,000
PT 3843, HS(M) 1602 Mukim Bukit Baru, Daerah Melaka Tengah Melaka	Leasehold expiring on 29.03.2097	Vacant land	-	3,338	06.08.2004	514
PT 3842, HS(M) 1601 Mukim Bukit Baru, Daerah Melaka Tengah Melaka	Leasehold expiring on 29.03.2097	Vacant land	-	3,267	06.08.2004	503

**LIST OF PROPERTIES
AS AT DECEMBER 31, 2004**

Location	Tenure	Current Use	Approximate Age of Building (Year)	Land/ Gross Floor Area (sq.metres)	Date of Last Revaluation	Net Book Value RM'000
Lot 10 & 11, CL105479552 & CL105479553 Off Jalan Sin On, Tawau	Leasehold expiring on 04.05.2904	2 adjoining unit of 2-storey shophouse	4	446/ 669	23.08.2004	700
PT No. 681, HS(D) 519/82 Mukim of Panchor, Kemumin District of Kota Bharu Kelantan	Leasehold expiring on 25.07.2048	Vacant land	-	8,094	06.09.2004	425
Lot 70428, Mukim of Ulu Kinta, District of Kinta, Perak Darul Ridzuan	Leasehold expiring on 04.06.2074	Double storey office, factory and warehouse	29	16,291/ 10,643	22.09.2004	4,960
P.T. 59999 Mukim of Ulu Kinta, District of Kinta, Perak Darul Ridzuan	Leasehold expiring on 14.02.2046	Vacant land	-	5,054	22.09.2004	820
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	20	150,625/ 11,637	23.09.2004	14,120
Lot No. 3262, (PT2989) Bidor Industrial Estate, Perak Darul Ridzuan	Leasehold expiring on 08.07.2056	Vacant land	-	27,449	23.09.2004	980
P.T. 786 Mukim of Bidor, District of Batang Padang Perak Darul Ridzuan	Leasehold expiring on 16.07.2042	Vacant land	-	40,469	23.09.2004	1,740
Lot No. 10649 Mukim of Bidor, District of Batang Padang Perak Darul Ridzuan	Leasehold expiring on 06.03.2050	Vacant land	-	24,101	23.09.2004	800
Provisional Lease No. 066290168, Kg Nalapak, District of Ranau, Sabah	Leasehold expiring on 31.12.2080	Plantation, office, factory, warehouse and labour housing	23	8,314,820/ 13,492	17.08.2004	18,080

**LIST OF PROPERTIES
AS AT DECEMBER 31, 2004**

Location	Tenure	Current Use	Approximate Age of Building (Year)	Land/ Gross Floor Area (sq.metres)	Date of Last Revaluation	Net Book Value RM'000
Provisional Lease No. 066290168, Kg Nalapak, District of Ranau, Sabah	Leasehold expiring on 31.12.2080	Vacant agriculture land	-	13,027,600	2004	5,000
Lot No. 3368 Mukim of Mergong District of Kota Setar Kedah Darul Aman	Leasehold expiring on 14.05.2037	a single-storey warehouse attached to a 3-storey office	21	992/219	20.08.2004	620
Lot No. 119 Rawang Integrated Industrial Park Mukim of Rawang District of Gombak Selangor Darul Ehsan	Freehold	2-storey office, factory and warehouse	8	10,866/6,623	24.08.2004	8,600
Lot No. 3877 Mukim of Chembong District of Rembau Negeri Sembilan Darul Khusus	Leasehold expiring on 15.07.2048	Vacant land	-	3,905	10.08.2004	250
Lot P.T. 764 Mukim of Bidor District of Batang Padan Perak Darul Ridzuan	Leasehold expiring on 30.11.2041	2-storey refinery, office and warehouse	21	40,468/1,593	18.11.2004	2,880
Lot Nos. 3858-3864, 3867, 3879, 3882-3883, 3888, 3921-3926, 3928-3931, 3933-3947, 3950-3951, 3965-3967, 3970, 3972-3975, 3977, Mukim and District of Batang Padang, Perak Darul Ridzuan	Freehold	Oil palm estate	-	970,590	23.09.2004	5,220
Lot Nos. 15917-15918, 46292, 46300-46301, 46303-46315, 20276 & 20338, Mukim of Kampar Lot Nos, 20339 & 20340, Mukim of Teja, District of Kinta Perak Darul Ridzuan	Freehold	Oil palm estate	-	1,984,093	23.09.2004	5,470

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I/We _____ Identity Card number/Company number : _____
(FULL NAME IN BLOCK LETTERS)

of _____
(ADDRESS)

being a member of **YEE LEE CORPORATION BHD.**, hereby appoint _____
(FULL NAME IN BLOCK LETTERS)

_____ Identity Card number : _____

of _____
(ADDRESS)

or failing him/her, _____ Identity Card number : _____
(FULL NAME IN BLOCK LETTERS)

of _____
(ADDRESS)

as my/our proxy to vote for me/us on my/our behalf at the Thirty-Second Annual General Meeting of the Company to be held on Tuesday, June 28, 2005 at 11.00 a.m. at Garlet 3, Casuarina Ipoh, 18 Jalan Raja Dr. Nazrin Shah (Jalan Gopeng), 30250 Ipoh, Perak Darul Ridzuan and at any adjournment thereof.

Please indicate with an "X" in the space provided below how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote, or abstain as he/she thinks fit.

NO.	RESOLUTIONS	FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial year ended December 31, 2004 and the Reports of the Directors and Auditors thereon.		
2.	Declaration of a first and final dividend.		
3.	Approval of payment of Directors' fees.		
4.	Re-election of Y. Bhg. Dato' Dr. Haji Mohamed Ishak bin Mohamed Ariff as Director.		
5.	Re-election of Y. Bhg. Dato' Lim A Heng @ Lim Kok Cheong as Director.		
6.	Re-election of Mr. Lee Kee Hong as Director.		
7.	Re-appointment of Messrs. Deloitte KassimChan as Auditors and to authorise the Directors to fix their remuneration.		
8.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		
9.	Authority to issue shares pursuant to the Executive Share Option Scheme.		
10.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

Signed this _____ day of June 2005

Signature of Shareholder/Common Seal

Number of shares held

Notes:

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote on his behalf. A proxy may but need not be a member of the Company.
2. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Lot 85, Jalan Portland, Tasek Industrial Estate, 31400 Ipoh, Perak Darul Ridzuan not less than forty-eight (48) hours before the time for holding the meeting.

Please fold here to seal

STAMP

**THE COMPANY SECRETARY
YEE LEE CORPORATION BHD.**
Lot 85, Jalan Portland
Tasek Industrial Estate
31400 Ipoh
Perak Darul Ridzuan
Malaysia

Please fold here to seal