

**YEE LEE CORPORATION BHD.**

(Company No. 13585-A)

**QUARTERLY REPORT ON CONSOLIDATION RESULTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2016****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016**

(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/16 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/15 RM'000	CURRENT YEAR TO DATE 31/03/16 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/15 RM'000
Revenue	252,426	177,973	252,426	177,973
Other income	699	2,432	699	2,432
Operating expenses	(238,401)	(170,196)	(238,401)	(170,196)
Finance costs	(1,544)	(1,387)	(1,544)	(1,387)
Share of profits of an associated company	2,623	1,417	2,623	1,417
Profit before tax	<u>15,803</u>	<u>10,239</u>	<u>15,803</u>	<u>10,239</u>
Tax expense	(4,275)	(2,841)	(4,275)	(2,841)
Profit for the period	<u><u>11,528</u></u>	<u><u>7,398</u></u>	<u><u>11,528</u></u>	<u><u>7,398</u></u>
Profit attributable to: Owners of the Company	<u><u>11,528</u></u>	<u><u>7,398</u></u>	<u><u>11,528</u></u>	<u><u>7,398</u></u>
Earnings per share:				
(a) Basic (sen)	<u><u>6.23</u></u>	<u><u>4.09</u></u>	<u><u>6.23</u></u>	<u><u>4.09</u></u>
(b) Fully diluted (sen)	<u><u>6.17</u></u>	<u><u>4.06</u></u>	<u><u>6.17</u></u>	<u><u>4.06</u></u>

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

**YEE LEE CORPORATION BHD.**

(Company No. 13585-A)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016  
(THE FIGURES HAVE NOT BEEN AUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/16 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/15 RM'000	CURRENT YEAR TO DATE 31/03/16 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/15 RM'000
Profit for the period	11,528	7,398	11,528	7,398
Other comprehensive income/(loss):				
Exchange differences on translating foreign operations	(2,436)	1,304	(2,436)	1,304
Gain on changes in fair value of available-for-sale financial assets	1	1	1	1
Share of other comprehensive income of associated company	1,722	1,136	1,722	1,136
Total other comprehensive (loss)/income for the period	<u>(713)</u>	<u>2,441</u>	<u>(713)</u>	<u>2,441</u>
Total comprehensive income attributable to owners of the Company	<u>10,815</u>	<u>9,839</u>	<u>10,815</u>	<u>9,839</u>

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

**YEE LEE CORPORATION BHD.**

(Company No. 13585-A)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2016**

	As at 31/03/16 RM'000	As at 31/12/15 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	417,022	419,142
Investment properties	8,310	8,310
Investment in associated company	81,507	74,684
Other investments	14	13
Goodwill on consolidation	1,612	1,612
	<u>508,465</u>	<u>503,761</u>
<b>Current assets</b>		
Inventories	76,891	70,474
Trade and other receivables	173,759	165,976
Other assets	9,287	7,535
Current tax assets	831	1,000
Deposits, cash and bank balances	89,627	92,444
	<u>350,395</u>	<u>337,429</u>
<b>TOTAL ASSETS</b>	<u><u>858,860</u></u>	<u><u>841,190</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	93,212	91,968
Share premium	7,599	5,259
Property revaluation reserve	187,859	187,859
Investment revaluation reserve	(6)	(7)
Capital reserve	6,757	5,035
Equity settled employee benefits reserve	1,785	2,599
Translation reserve	213	2,649
Retained earnings	240,092	227,750
<b>TOTAL EQUITY</b>	<u>537,511</u>	<u>523,112</u>
<b>Non-current liabilities</b>		
Long term borrowings	10,411	11,920
Deferred taxation	42,478	42,255
	<u>52,889</u>	<u>54,175</u>
<b>Current liabilities</b>		
Trade and other payables	127,665	114,917
Other liabilities	18,295	20,679
Short term borrowings	117,161	124,708
Current tax liabilities	5,339	3,599
	<u>268,460</u>	<u>263,903</u>
<b>TOTAL LIABILITIES</b>	<u>321,349</u>	<u>318,078</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>858,860</u></u>	<u><u>841,190</u></u>
<b>Net assets per share (RM)</b>	<u>2.8833</u>	<u>2.8440</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)



**YEE LEE CORPORATION BHD.**

(Company No. 13585-A)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016**

	← Non-distributable					Equity Settled		→ Distributable		Total RM'000
	Share Capital RM'000	Share Premium RM'000	Property Revaluation Reserve RM'000	Investment Revaluation Reserve RM'000	Capital Reserve RM'000	Employee Benefits Reserve RM'000	Translation Reserve RM'000	Retained Earnings RM'000		
Balance at 1 January 2016	91,968	5,259	187,859	(7)	5,035	2,599	2,649	227,750	523,112	
Total comprehensive income for the period	-	-	-	1	1,722	-	(2,436)	11,528	10,815	
Exercise of ESOS	1,244	2,340	-	-	-	(814)	-	814	3,584	
Balance at 31 March 2016	<u>93,212</u>	<u>7,599</u>	<u>187,859</u>	<u>(6)</u>	<u>6,757</u>	<u>1,785</u>	<u>213</u>	<u>240,092</u>	<u>537,511</u>	
Balance at 1 January 2015	90,323	2,262	53,578	(7)	3,454	2,382	343	200,215	352,550	
Total comprehensive income for the period	-	-	-	1	1,136	-	1,304	7,398	9,839	
Exercise of ESOS	248	420	-	-	-	(169)	-	169	668	
Reversal of share-based payments	-	-	-	-	-	(45)	-	45	-	
Balance at 31 March 2015	<u>90,571</u>	<u>2,682</u>	<u>53,578</u>	<u>(6)</u>	<u>4,590</u>	<u>2,168</u>	<u>1,647</u>	<u>207,827</u>	<u>363,057</u>	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

**YEE LEE CORPORATION BHD.**

(Company No. 13585-A)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016**

	<b>CURRENT PERIOD TO DATE 31/03/16 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31/03/15 RM'000</b>
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit before tax	15,803	10,239
Adjustments for:		
Non-cash and non-operating items	1,398	2,725
Operating profit before working capital changes	<u>17,201</u>	<u>12,964</u>
Changes in working capital		
Increase in current assets	(17,051)	(7,019)
Increase/(Decrease) in current liabilities	10,536	(3,607)
Cash from operating activities	<u>10,686</u>	<u>2,338</u>
Tax paid	(2,203)	(3,085)
Tax refunded	91	543
Net cash from/(used in) operating activities	<u>8,574</u>	<u>(204)</u>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Interest received	281	130
Rental from investment properties received	56	66
Proceeds from disposal of property, plant and equipment	9	31
Proceeds from disposal of assets held for sale	-	828
Purchase of additional shares in associated company	(2,478)	-
Purchase of property, plant and equipment	<u>(1,989)</u>	<u>(1,860)</u>
Net cash used in investing activities	<u>(4,121)</u>	<u>(805)</u>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares arising from exercise of ESOS	3,584	668
(Repayment of)/Proceeds from borrowings	(11,050)	6,512
Finance cost paid	<u>(1,544)</u>	<u>(1,387)</u>
Net cash (used in)/from financing activities	<u>(9,010)</u>	<u>5,793</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(4,557)</u>	<u>4,784</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	89,880	45,311
Effect of changes in exchange rate on foreign currency translation	167	(256)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u>85,490</u></u>	<u><u>49,839</u></u>
Cash and cash equivalents comprise the following:		
Deposits	23,608	16,182
Cash and bank balances	66,020	40,345
Bank overdrafts	<u>(4,128)</u>	<u>(6,678)</u>
	85,500	49,849
Less: Fixed deposits pledged to a bank	<u>(10)</u>	<u>(10)</u>
	<u><u>85,490</u></u>	<u><u>49,839</u></u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)



## YEE LEE CORPORATION BHD.

(Company No. 13585-A)

### PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

#### 1. BASIS OF PREPARATION

This interim financial statements of the Group have been prepared in accordance with Financial Reporting Standard (FRS) 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements of the Group for the financial year ended 31 December 2015, except the adoption of the following amendments to FRSs mandatory for annual financial periods beginning on or after 1 January 2016.

FRS 14:	Regulatory Deferral Accounts
Amendments to FRS 10, FRS 12 and FRS 128:	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 11:	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 101:	Disclosure Initiative
Amendments to FRS 116 and FRS 138:	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 127:	Equity Method in Separate Financial Statements
Amendments to FRSs:	Annual Improvements to FRSs 2012 - 2014 Cycle

The adoption of the above standards and interpretation did not have any significant financial impact on the Group.

#### Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS).

The MFRS is to be applied by all entities other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for Construction of Real Estate, including their parent, significant investors and ventures (herein referred to as 'Transitioning Entities'). On 2 September 2014, with the issuance of MFRS 15 Revenue from Contracts with Customers and Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants, the MASB announced that Transitioning Entities which have chosen to continue with the FRS Framework is now required to adopt the MFRS Framework latest by 1 January 2018.

The Group falls within the definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2018.

#### 3. AUDIT QUALIFICATION

The preceding year's annual audited financial statements of the Group were not subject to any qualification.

#### 4. SEASONAL OR CYCLICAL FACTORS

Apart from the traditional variations in the level of business activities, the operations of the Group were not materially affected by any seasonal nor cyclical factors.

#### 5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial period to date.

#### 6. MATERIAL CHANGES IN ESTIMATES

There were no changes in the estimates that have had any material effect on the current financial period to date.

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**7. DEBT AND EQUITY SECURITIES**

The Company had issued 2,488,500 ordinary shares of RM0.50 each for cash in the current quarter arising from the exercise of executives' share options.

Other than the above, there were no other issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period to date.

**8. DIVIDEND PAID**

No dividend was paid during the current quarter.

**9. SEGMENTAL REPORTING**

The analysis of the Group business segments for the current financial period are as follows:-

Financial period ended 31 March 2016	Manufacturing RM'000	Trading RM'000	Plantation RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
External revenue	59,088	192,906	5	427	-	252,426
Inter-segment revenue	58,196	12,178	1,403	18	(71,795)	-
	<u>117,284</u>	<u>205,084</u>	<u>1,408</u>	<u>445</u>	<u>(71,795)</u>	<u>252,426</u>
Segment results	<u>6,257</u>	<u>6,838</u>	<u>(371)</u>	<u>119</u>	<u>-</u>	<u>12,843</u>
Investment revenue						337
Share of profit of an associated company						2,623
Profit before tax						<u>15,803</u>

Financial period ended 31 March 2015	Manufacturing RM'000	Trading RM'000	Plantation RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
External revenue	58,219	119,309	23	422	-	177,973
Inter-segment revenue	59,190	30	881	5	(60,106)	-
	<u>117,409</u>	<u>119,339</u>	<u>904</u>	<u>427</u>	<u>(60,106)</u>	<u>177,973</u>
Segment results	<u>5,188</u>	<u>3,621</u>	<u>(167)</u>	<u>(16)</u>	<u>-</u>	<u>8,626</u>
Investment revenue						196
Share of profit of an associated company						1,417
Profit before tax						<u>10,239</u>

**10. MATERIAL SUBSEQUENT EVENT**

There were no material events subsequent to the end of the financial period ended 31 March 2016 up to the date of issuance of this report which have not been reflected in the financial statements for the said period.

**11. CHANGES IN THE COMPOSITION OF THE GROUP**

The Company had on 19 January 2016 incorporated a wholly-owned subsidiary, Sementra Resort Sdn Bhd with an issued and fully paid-up share capital of RM2.00.

The total paid-up share capital of the associated company, Spritzer Bhd ("SB"), had further increased by 5,647,499 ordinary shares in the current quarter arising from the exercise of employees' share option and conversion of warrant. The conversion of 2,100,000 SB warrants into ordinary shares by the Company in the current quarter has offset the dilution arising from the increase in paid-up share capital of SB resulted in the Company's shareholding in SB increased from 32.25% to 32.43% as at 31 March 2016.

Apart from the changes mentioned above, there were no other changes in the composition of the Group during the current financial period to date.



## YEE LEE CORPORATION BHD.

(Company No. 13585-A)

### PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

#### 12. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities as at 23 May 2016.

#### 13. REVIEW OF PERFORMANCE

##### Current quarter vs. preceding year corresponding quarter

The Group recorded a higher revenue of RM252.43 million in this quarter as compared to RM177.97 million a year ago, representing a sales growth of 41.8%. Correspondingly, the Group's profit before tax increased significantly by 54.3% from RM10.24 million to RM15.80 million. Profit contribution from associated company, SB was also higher by 85.1% due to increase in sales of bottled water.

##### Manufacturing division

Despite achieving marginal sales growth of 1.5%, manufacturing division recorded a higher profit before tax of RM6.26 million in this quarter as compared to RM5.19 million a year ago. The better performance was mainly due to our palm oil mill turning around in this quarter with better crude palm oil extraction rate ("OER") and palm kernel recovery rate.

##### Trading division

Trading division performed very well in this quarter with profit before tax substantially increased by 88.8% from RM3.62 million a year ago to RM6.84 million on the back of 61.7% increase in revenue. The substantial increase in revenue was contributed from better sales of Campbell products, bottled water and new distributorship of Red Bull Gold energy drinks.

##### Plantation division

The plantation division recorded a higher loss before tax of RM0.37 million in this quarter as compared to RM0.17 million a year ago. The poor performance was attributed to losses incurred by tea plantation due to lower sales of tea while the oil palm plantation's profitability was affected by lower fresh fruit bunches ("FFB") production arising from its replanting project.

#### 14. MATERIAL CHANGES IN THE QUARTERLY RESULTS COMPARED TO THE RESULTS OF THE PRECEDING QUARTER

The Group recorded a higher revenue of RM252.43 million in this quarter as compared to RM238.07 million in the preceding quarter. The higher sales growth was driven by increase in sales of Red Bull energy drinks, bottled water and Campbell products. Correspondingly, the Group's profit before tax increased by 8.2% from RM14.60 million to RM15.80 million. The palm oil mill which was able to turnaround in this quarter coupled with higher profit contribution from associated company, SB also contributed to the increase in the Group's bottom line.

#### 15. CURRENT YEAR PROSPECTS

With current scorching hot weather prompted by El-Nino, the trading division is well positioning its beverage segment to leverage on its leading brands to enhance its sales of bottled water and energy drinks. The performance of the newly secured distributorship of Red Bull Gold energy drinks is encouraging and is expected to continue to contribute positively to the Group's profitability. With the adverse and erratic weather conditions, the Group is concerned on the quality of FFB as this will affect the overall palm oil mills' OER. The tightening of the quality inspection on FFB supplies by our palm oil mill coupled with the implementation of FFB price reduction will mitigate the adverse impact in the event that the average OER deteriorates.

Barring any unforeseen and adverse circumstances, the Board believes that the Group will continue to remain profitable for the financial year ending 31 December 2016.



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**16. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

Profit before tax is arrived at (crediting)/charging:-

	3 months ended	
	31/03/16	31/03/15
	RM'000	RM'000
Interest income	(281)	(130)
Interest expense	1,417	1,261
Depreciation of property, plant and equipment	2,984	2,672
Provision for and write off of receivables	131	73
Provision for and write off of inventories	342	279
Loss on disposal of property, plant and equipment	149	15
Gain on disposal of assets held for sale	-	(228)
Property, plant and equipment written off	3	140
Loss/(Gain) on foreign exchange	1,253	(612)
(Gain)/Loss on derivatives	-	-
Exceptional items	-	-

**17. VARIANCE BETWEEN FORECAST AND ACTUAL PROFIT**

No profit forecast or guarantee was issued by the Group.

**18. TAX EXPENSE**

	Current Quarter RM'000	Current Year To-Date RM'000
Current tax expense	4,051	4,051
Deferred tax	224	224
	<u>4,275</u>	<u>4,275</u>

The effective tax rate for the current quarter is higher than the statutory income tax rate mainly due to certain expense items have been considered as non-deductible for tax purposes.

**19. STATUS OF CORPORATE PROPOSALS**

There were no other outstanding corporate proposals as at 23 May 2016.

**20. STATUS OF UTILISATION OF PROCEEDS RAISED FROM ANY CORPORATE PROPOSAL**

Not applicable.

**21. GROUP BORROWINGS**

The Group borrowings (denominated in local currency) as at 31 March 2016 are as follows:-

	RM'000
Long term borrowings	
- unsecured	8,681
- secured	1,730
	10,411
Short term borrowings	
- unsecured	115,476
- secured	1,685
	117,161
	<u>127,572</u>



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### 22. MATERIAL LITIGATION

There were no material litigation involving the Group as at 23 May 2016.

### 23. PROPOSED DIVIDEND

No interim dividend has been declared for the current financial period under review.

### 24. EARNINGS PER SHARE (EPS)

	Current Quarter	Current Year To-Date
<b>Basic EPS</b>		
Profit attributable to owners of the Company (RM'000)	11,528	11,528
<b>Number of shares ('000)</b>		
Number of ordinary shares in issue as at beginning of year	183,935	183,935
Effect of exercise of ESOS	1,039	1,039
Weighted average number of ordinary shares in issue	184,974	184,974
Basic EPS (sen)	6.23	6.23
<b>Fully Diluted EPS</b>		
Profit attributable to owners of the Company (RM'000)	11,528	11,528
<b>Number of shares ('000)</b>		
Number of ordinary shares in issue as at beginning of year	183,935	183,935
Effect of exercise of ESOS	1,039	1,039
Effect of share options	1,716	1,716
Weighted average number of ordinary shares in issue	186,690	186,690
Fully Diluted EPS (sen)	6.17	6.17

### 25. DISCLOSURE OF REALISED AND UNREALISED PROFITS

	As at 31/03/16 RM'000	As at 31/12/15 RM'000
Total retained earnings of the Group:		
- Realised	212,821	201,429
- Unrealised	(9,381)	(9,315)
	203,440	192,114
Total retained earnings from associate:		
- Realised	32,373	32,115
	235,813	224,229
Add : Consolidation adjustments	4,279	3,521
Total retained earnings as per statement of financial position	240,092	227,750

### 26. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 May 2016.