



YEE LEE CORPORATION BHD.

(Company No. 13585-A)

**QUARTERLY REPORT ON CONSOLIDATION RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018
(THE FIGURES HAVE NOT BEEN AUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	INDIVIDUAL QUARTER		Changes (%)	CUMULATIVE		Changes (%)
	Quarter ended	Quarter ended		Year ended	Year ended	
	31/12/2018 RM'000	31/12/2017 RM'000 (Restated)		31/12/2018 RM'000	31/12/2017 RM'000 (Restated)	
Revenue	283,055	262,346	7.9%	1,122,015	1,097,007	2.3%
Other income/(loss)	4,046	(819)	594.0%	9,263	4,785	93.6%
Operating expenses	(273,130)	(253,438)	7.8%	(1,082,997)	(1,060,501)	2.1%
Finance costs	(1,811)	(1,670)	8.4%	(6,803)	(6,843)	-0.6%
Share of profits of an associated company	730	5,395	-86.5%	6,751	11,223	-39.8%
Share of loss of joint venture	(19)	-	-100.0%	(62)	-	-100.0%
Profit before tax	12,871	11,814	8.9%	48,167	45,671	5.5%
Tax (expense)/credit	(2,633)	1,535	-271.5%	(10,696)	(6,637)	61.2%
Profit for the year	10,238	13,349	-23.3%	37,471	39,034	-4.0%
Profit attributable to: Owners of the Company	10,238	13,349	-23.3%	37,471	39,034	-4.0%
Earnings per share:						
(a) Basic (sen)	5.34	7.01	-23.8%	19.56	20.48	-4.5%
(b) Fully diluted (sen)	5.34	7.01	-23.8%	19.56	20.48	-4.5%

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017)



YEE LEE CORPORATION BHD.

(Company No. 13585-A)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	INDIVIDUAL QUARTER		Changes (%)	CUMULATIVE		Changes (%)
	Quarter ended	Quarter ended		Year ended	Year ended	
	31/12/2018 RM'000	31/12/2017 RM'000 (Restated)		31/12/2018 RM'000	31/12/2017 RM'000 (Restated)	
Profit for the year	10,238	13,349	-23.3%	37,471	39,034	-4.0%
Other comprehensive (loss)/income:						
Exchange differences on translating foreign entity	174	(1,337)	113.0%	(65)	(3,340)	98.1%
Fair value gain/(loss) on investments in equity instruments designated as at fair value through other comprehensive income	1	2	-50.0%	(3)	(1)	-200.0%
Share of other comprehensive income/(loss) of an associated company	-	(51)	100.0%	16	(264)	106.1%
Total other comprehensive income/(loss) for the year	175	(1,386)	112.6%	(52)	(3,605)	98.6%
Total comprehensive income attributable to owners of the Company	10,413	11,963	-13.0%	37,419	35,429	5.6%

(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 2017)



YEE LEE CORPORATION BHD.
(Company No. 13585-A)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	As at 31/12/18 RM'000	As at 31/12/17 RM'000 (Restated)	As at 01/01/17 RM'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	455,819	449,918	422,508
Investment properties	8,076	6,810	6,810
Investment in an associated company	130,166	118,097	107,816
Investment in a joint venture	538	600	-
Other investments	33	15	20
Goodwill on consolidation	1,612	1,612	1,612
	596,244	577,052	538,766
Current assets			
Other investments	13,550	7,251	-
Biological assets	245	273	415
Inventories	104,129	101,395	94,293
Trade and other receivables	188,184	198,072	205,598
Current tax assets	5,995	4,711	1,532
Other assets	5,416	6,574	7,898
Deposits, cash and bank balances	63,879	57,392	79,422
	381,398	375,668	389,158
TOTAL ASSETS	977,642	952,720	927,924
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	108,400	108,400	94,332
Share premium	-	-	9,781
Investment revaluation reserve	(4)	(1)	-
Translation reserve	466	531	3,871
Equity settled employee benefits reserve	-	-	1,021
Capital reserve	13,290	13,274	13,538
Retained earnings	508,767	479,918	448,469
TOTAL EQUITY	630,919	602,122	571,012
Non-current liabilities			
Borrowings	19,993	18,742	9,428
Deferred tax liabilities	41,092	41,126	41,735
	61,085	59,868	51,163
Current liabilities			
Trade and other payables	129,234	128,879	144,858
Borrowings	129,797	137,237	135,306
Current tax liabilities	721	646	2,689
Other liabilities	25,886	23,968	22,896
	285,638	290,730	305,749
TOTAL LIABILITIES	346,723	350,598	356,912
TOTAL EQUITY AND LIABILITIES	977,642	952,720	927,924
Net assets per share (RM)	3.2928	3.1425	3.0266

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017)



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	Non-distributable						Distributable	Total RM'000	
	Share Capital RM'000	Share Premium RM'000	Property Revaluation Reserve RM'000	Investment Revaluation Reserve RM'000	Translation Reserve RM'000	Equity Settled Employee Benefits Reserve RM'000	Capital Reserve RM'000		Retained Earnings RM'000
Balance at 1 January 2018									
As previously stated	108,400	-	187,859	(1)	531	-	13,274	299,045	609,108
Effect of adoption of MFRS framework *	-	-	(187,859)	-	-	-	-	180,873	(6,986)
Restated balance	108,400	-	-	(1)	531	-	13,274	479,918	602,122
Total comprehensive (loss)/income for the year	-	-	-	(3)	(65)	-	16	37,471	37,419
Dividend	-	-	-	-	-	-	-	(8,622)	(8,622)
Balance at 31 December 2018	108,400	-	-	(4)	466	-	13,290	508,767	630,919
Balance at 1 January 2017									
As previously stated	94,332	9,781	187,859	-	3,871	1,021	13,538	267,242	577,644
Effect of adoption of MFRS framework *	-	-	(187,859)	-	-	-	-	181,227	(6,632)
Restated balance	94,332	9,781	-	-	3,871	1,021	13,538	448,469	571,012
Total comprehensive (loss)/income for the period									
As previously stated	-	-	-	(1)	(3,340)	-	(264)	39,388	35,783
Effect of adoption of MFRS framework *	-	-	-	-	-	-	-	(354)	(354)
Restated balance	-	-	-	(1)	(3,340)	-	(264)	39,034	35,429
Exercise of ESOS	3,791	496	-	-	-	(1,021)	-	1,021	4,287
Transfer arising from "no par value" regime	10,277	(10,277)	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	(8,606)	(8,606)
Balance at 31 December 2017	108,400	-	-	(1)	531	-	13,274	479,918	602,122

* - Please refer to explanatory Note 2 - Significant Accounting Policies.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017)


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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	YEAR ENDED 31/12/18 RM'000	YEAR ENDED 31/12/17 RM'000 (Restated)
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	48,167	45,671
Adjustments for:		
Non-cash and non-operating items	17,298	12,282
Operating profit before working capital changes	65,465	57,953
Movements in working capital		
Decrease/(Increase) in current assets	3,756	(7,368)
Increase/(Decrease) in current liabilities	1,329	(14,231)
Cash generated from operations	70,550	36,354
Tax paid	(11,943)	(13,472)
Interest received	-	3
Tax refunded	-	978
Net cash from operating activities	58,607	23,863
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Dividend received from an associated company	3,335	2,049
Interest received	829	999
Dividend received from quoted shares	-	1
Rental from investment properties received	242	218
Dividend income from other investments	7	31
Proceeds from disposal of property, plant and equipment	157	146
Investment in a joint venture	-	(600)
Withdrawal of fixed deposits	10	-
Purchase of additional shares in an associated company	(8,390)	(1,371)
Acquisition of quoted shares	(21)	-
Additions to other investments	(5,947)	(7,050)
Purchase of property, plant and equipment	(16,115)	(25,731)
Net cash used in investing activities	(25,893)	(31,308)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from issuance of shares arising from exercise of ESOS	-	4,287
Repayment of borrowings	(9,398)	(3,091)
Dividend paid	(8,622)	(8,606)
Finance cost paid	(6,803)	(6,843)
Net cash used in financing activities	(24,823)	(14,253)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,891	(21,698)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	53,356	76,267
Effect of exchange rate changes on the balance of cash held in foreign currencies	75	(1,213)
CASH AND CASH EQUIVALENTS AT END OF YEAR	61,322	53,356
Cash and cash equivalents comprise the following:		
Deposits	23,402	17,545
Cash and bank balances	40,477	39,847
Bank overdrafts	(2,557)	(4,026)
	61,322	53,366
Less: Fixed deposits pledged to a bank	-	(10)
	61,322	53,356

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017)



PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

This interim financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standard (MFRS) 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the audited financial statements of the Group for the financial year ended 31 December 2017, except for the adoption of the MFRS framework and the following amendments and annual improvements to MFRSs and IC Interpretation for annual financial periods beginning on or after 1 January 2018.

Amendments to MFRS 1:	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)
Amendments to MFRS 2:	Share-based Payment - Classification and Measurement of Share-based Payment Transactions
MFRS 9:	Financial Instruments
MFRS 15:	Revenue from Contracts with Customers, Clarifications to MFRS 15
Amendments to MFRS 128:	Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)
Amendments to MFRS 140:	Investment Property - Transfers of Investment Property
IC Interpretation 22:	Foreign Currency Transactions and Advance Consideration

The financial statements of the Group for the financial year ended 31 December 2018 are the first set of financial statements prepared in accordance with the MFRS framework. The date of transition to the MFRS framework was on 1 January 2017.

The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 January 2017 and throughout all comparable interim periods presented, as if these policies had always been in effect. Comparative information in these interim financial statements have been restated to give effect to these changes and the financial impact on transition from Financial Reporting Standards ("FRS") to MFRS as disclosed as follows:

(a) Property, plant and equipment - deemed cost exemption

Under the FRS framework, the Group measured its freehold and leasehold land and buildings at fair value. The last valuation for these properties was carried out in 2015. Upon transition to the MFRS framework, the Group has elected to apply the optional exemption to use that previous revaluation as deemed cost under the MFRS framework. The revaluation reserve of RM187,859,059 as of 31 December 2016 and 2017 will be reclassified to retained earnings.

(b) Biological assets

Under the FRS framework, the cost of biological assets of the Group which consist of tea leaves and oil palm fresh fruit bunches are not segregated from the cost of the plantation development expenditure and the cost of the freehold land on which the tea tree and oil palm crops are planted respectively. Upon transition to the MFRS framework, the Group will segregate the costs of tea leaves and oil palm fresh fruit bunches from their bearer plants, and measure the bearer plants at cost less accumulated depreciation and accumulated impairment losses, while the tea leaves and oil palm fresh fruit bunches at their respective fair values less costs to sell.

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(c) MFRS 15 Revenue from Contracts with Customers

Upon adoption of MFRS 15, the Group recognises the revenue from contracts with customers when or as the Group transfers goods or services to a customer, measured at the amount to which the Group expects to be entitled, according to the term and condition stipulated in the contracts with customers. Depending on whether certain criteria are met, revenue is recognised over time, in a manner that depicts the Group's performance; or at a point in time, when control of the goods or services is transferred to the customers.

The Group currently recognises prompt payment discounts as a reduction in sales, on an incurred basis. On application of MFRS 15, the Group estimates the expected amount of prompt payment discounts as a variable consideration in determining the transaction price of sales, irrespective of whether the discounts have been given.

The Group is entitled to reimbursements from their suppliers for certain discounts given to customers. Such reimbursements are currently recognised as a reduction in cost of goods sold as on when such claims are made. On application of MFRS 15, such claims are recognised in revenue.

The effects of the changes in accounting policy on the comparatives as a result of transition to MFRS framework and the adoption of MFRS 15 are as follows:

Condensed Consolidated Statement of Financial Position

	As at 31 December 2017			As at 1 January 2017		
	Previously reported under FRS RM'000	Effect of adoption of MFRS RM'000	Reported under MFRS RM'000	Previously reported under FRS RM'000	Effect of adoption of MFRS RM'000	Reported under MFRS RM'000
Non-current assets						
Property, plant and equipment	457,005	(7,087)	449,918	429,364	(6,856)	422,508
Current assets						
Biological assets	-	273	273	-	415	415
Trade and other receivables	198,244	(172)	198,072	205,789	(191)	205,598
Equity						
Property revaluation reserve	187,859	(187,859)	-	187,859	(187,859)	-
Retained earnings	299,045	180,873	479,918	267,242	181,227	448,469

Condensed Consolidated Statement of Profit or Loss

	Quarter ended 31 December 2017			Cumulative year ended 31 December 2017		
	Previously reported under FRS RM'000	Effect of adoption of MFRS RM'000	Reported under MFRS RM'000	Previously reported under FRS RM'000	Effect of adoption of MFRS RM'000	Reported under MFRS RM'000
Revenue	257,385	4,961	262,346	1,081,879	15,128	1,097,007
Other income	(677)	(142)	(819)	4,927	(142)	4,785
Operating expenses	(248,540)	(4,898)	(253,438)	(1,045,161)	(15,340)	(1,060,501)
Profit before tax	11,893	(79)	11,814	46,025	(354)	45,671
Profit for the year	13,428	(79)	13,349	39,388	(354)	39,034

Condensed Consolidated Statement of Cash Flows

	Cumulative year ended 31 December 2017		
	Previously reported under FRS RM'000	Effect of adoption of MFRS RM'000	Reported under MFRS RM'000
Profit before tax	46,025	(354)	45,671
Non-cash and non-operating items	11,909	373	12,282
Increase in current assets	(7,349)	(19)	(7,368)

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Year ended 31 December 2017 (Restated)	Manufacturing RM'000	Trading RM'000	Plantation RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
External revenue	288,776	803,819	36	4,376	-	1,097,007
Inter-segment revenue	258,138	32,178	7,562	10,961	(308,839)	-
	546,914	835,997	7,598	15,337	(308,839)	1,097,007
Segment results	18,177	15,451	(1,454)	828	-	33,002
Investment revenue						1,446
Share of profit of an associated company						11,223
Profit before tax						45,671
<u>Assets</u>						
Segments assets	421,325	355,416	159,094	645,818	(752,366)	829,287
Investment in an associated company						118,097
Investment in a joint venture						600
Unallocated corporate assets						4,736
Consolidated total assets						952,720
<u>Liabilities</u>						
Segment liabilities	47,078	154,166	18,980	31,340	(98,717)	152,847
Unallocated corporate liabilities						197,751
Consolidated total liabilities						350,598

10. MATERIAL SUBSEQUENT EVENT

There were no material events subsequent to the end of the financial year ended 31 December 2018 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

During the current quarter, the Company had acquired additional 419,900 ordinary shares of Spritzer Bhd ("SB") thereby increasing its shareholding in SB from 29.58% to 29.78%.

Other than the changes mentioned above and those announced earlier in this year, there were no other changes in the composition of the Group during the current financial year.

12. CONTINGENT ASSETS AND LIABILITIES

The Company has provided corporate guarantees amounting to RM9.7 million to suppliers of its joint venture company, YLTC Sdn Bhd for their supply of goods.

Other than the above, there were no other contingent assets and liabilities as at 22 February 2019.

13. CAPITAL COMMITMENTS

Capital commitments not provided for in the financial statements as at 31 December 2018 are as follows:

Property, plant and equipment: Approved and contracted for	RM'000
	<u>19,599</u>



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

14. REVIEW OF PERFORMANCE

Current quarter vs. preceding year corresponding quarter

The Group recorded an increase in profit before tax by 8.9% in this quarter, from RM11.81 million a year ago to RM12.87 million on the back of 7.9% increase in revenue. The better performance in this quarter was contributed by manufacturing and trading divisions. However, the profit contribution from associated company, SB in this quarter dropped substantially by 86.5% to RM0.73 million, mainly due to lower gross profit margin arising from substantial increase in raw materials and packaging costs.

Manufacturing division

Despite recording a drop in revenue by 11.1%, the manufacturing division registered a higher profit before tax of RM7.48 million against RM2.47 million a year ago. The drop in revenue was mainly attributed to lower sales of palm kernel and substantial drop in selling price of palm based products arising from lower crude palm oil price. The better performance was contributed by aerosol can business with recovery of profit margin coupled with palm oil mill managed to turnaround in this quarter with higher oil extraction rate ("OER") through tightening of selection of fresh fruits bunches ("FFB") supplies.

Trading division

The trading division achieved a sales growth of 14.9% in this quarter, increasing its revenue from RM189.96 million a year ago to RM218.31 million. The higher revenue was mainly contributed from higher sales of energy drinks, Campbells', Ribena, Kizz, Sunplus, and Red Chef products. Correspondingly, the division's profit before tax increased by 23.1% from RM3.85 million a year ago to RM4.74 million.

Plantation division

The plantation division incurred a higher loss before tax of RM0.79 million in this quarter as compared to RM0.49 million a year ago. Both the tea and oil palm plantations still incurred losses in this quarter as the tea plantation sales volume is insufficient to cover its plantation cost while our Perak State oil palm plantations were affected by further drop in the selling price of FFB.

Current year to-date vs. preceding year to-date

The Group recorded a higher revenue of RM1.12 billion for the year ended 31 December 2018 as compared to RM1.10 billion a year ago. Correspondingly, the Group's profit before tax increased by 5.5% to RM48.17 million against RM45.67 million a year ago. Both the manufacturing and trading divisions performed better than last year except for plantation division still suffered losses. Profit contribution from associated company, SB in this year dropped substantially by 39.8% to RM6.75 million mainly due to lower gross profit margin as a result of substantial increase in raw materials and packaging costs.

Manufacturing division

The manufacturing division's revenue for the current year dropped by 14.0% from RM288.78 million a year ago to RM248.31 million. The lower revenue was mainly due to decrease in selling price of palm based products as a result of substantial drop in crude palm oil price coupled with lower sales volume of palm based products. Despite the drop in revenue, the division recorded a higher profit before tax of RM20.78 million as compared to RM18.18 million a year ago. The better performance was mainly due to the palm oil mill managed to turnaround in the third quarter of this year, achieving higher OER and even better than the Perak region industry average.



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Trading division

The trading division achieved a sales growth of 8.1% in the current year driven by higher sales of beverages, Campbells', Munchy's, Sunplus, Kizz and Red Chef products offsetting the drop in sales of cooking oils. Correspondingly, the division's profit before tax increased by 38.6% from RM15.45 million to RM21.41 million.

Plantation division

The plantation division recorded a higher loss before tax of RM2.99 million in the current year as compared to RM1.45 million a year ago. Both the oil palm and tea plantations were still unable to turnaround. The higher losses was mainly due to higher expenses incurred for the new oil palm plantation in Sabah coupled with lower selling price and production of FFB achieved by our Perak State oil palm plantations. The tea plantation current sales volume is still insufficient to cover its plantation cost in order for the tea plantation to turnaround.

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

The Group recorded a lower revenue of RM283.06 million in this quarter as compared to RM293.95 million in the preceding quarter. The lower revenue was mainly attributed to lower sales from beverages and cooking oils. Correspondingly, the Group's profit before tax decreased by 3.7% from RM13.37 million to RM12.87 million. Profit contribution from associated company, SB was also lower by 66.5%.

16. FUTURE PROSPECTS

In view of the concerns on slowing global growth and the unresolved trade dispute between the US and China, the Board expects the global economic conditions to remain challenging. Although the domestic consumer sentiments index for the fourth quarter 2018 sank below the optimism level, the Board foresees that the consumer sentiments will improve in 2019 with the Government's various initiatives to contain the rising cost of living. Our trading division is well positioned with its established brand of products portfolio and strong distribution networks to capitalise on the new opportunities to enhance its market positions once the sentiments improved. The scorching hot weather currently sweeping across the country is expected to boost the demand for bottled water. This will provide an opportunity for us to leverage on our leading bottled water brands to boost sales.

Our drastic move to tighten the selection of FFB supplies and revise the FFB pricing to be commensurate with our OER achieved have proven successful as our palm oil mill has turnaround in this year with better OER in the expense of low FFB supplies. Going forward, the palm oil mill will continue to source for more reliable FFB supplies to further increase its production and improve on its OER. The Board expects the mill to improve its profitability in 2019.

The new oil palm plantation in Sabah is expecting its first harvest in the first quarter of 2019. The yield for these young immature trees is expected to be low in the first 3 years. Given time, the Board is confident that the oil palm plantation will turnaround.

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17. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Quarter ended		Year ended	
	31/12/18	31/12/17	31/12/18	31/12/17
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Interest income	(251)	(252)	(829)	(1,002)
Interest expense	1,701	1,635	6,295	6,403
Depreciation of property, plant and equipment	4,743	4,452	16,743	15,123
Provision for and write off of receivables	331	121	770	670
Provision for and write off of inventories	566	383	1,731	1,457
(Gain)/Loss on disposal of property, plant and equipment	(14)	(4)	1	(14)
Property, plant and equipment written off	303	159	406	204
Changes in fair value of biological assets	(26)	47	28	142
Changes in fair value of investment properties	(666)	-	(666)	-
Changes in fair value of other investments	(208)	-	(208)	-
Reversal of impairment loss of property, plant and equipment	(612)	-	(612)	-
(Gain)/Loss on foreign exchange	(540)	2,627	(95)	2,308
(Gain)/Loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-

18. VARIANCE BETWEEN FORECAST AND ACTUAL PROFIT

No profit forecast or guarantee was issued by the Group.

19. TAX EXPENSE

	Current Quarter RM'000	Current Year To-Date RM'000
Current tax expense	(2,833)	(10,981)
Overprovision in previous year	305	251
Deferred tax	(105)	34
	<u>(2,633)</u>	<u>(10,696)</u>

The effective tax rate for the current quarter and financial year to date is lower than the statutory income tax rate mainly due to overprovision of taxation in previous year, reinvestment allowances and lower statutory tax rate in a foreign subsidiary company.

20. STATUS OF CORPORATE PROPOSALS

There were no outstanding corporate proposals as at 22 February 2019.

21. STATUS OF UTILISATION OF PROCEEDS RAISED FROM ANY CORPORATE PROPOSAL

Not applicable.

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22. GROUP BORROWINGS

The Group borrowings (denominated in local currency) as at 31 December 2018 are as follows:

	Non-current RM'000	Current RM'000	Total RM'000
<u>Unsecured</u>			
Term loans	18,796	2,072	20,868
Revolving credits	-	16,500	16,500
Bankers' acceptances	-	107,317	107,317
Bank overdrafts	-	2,557	2,557
<u>Secured</u>			
Hire-purchase payables	1,197	1,351	2,548
	<u>19,993</u>	<u>129,797</u>	<u>149,790</u>

23. MATERIAL LITIGATION

There were no material litigation involving the Group as at 22 February 2019.

24. PROPOSED DIVIDEND

For the current financial year ended 31 December 2018, the Board of Directors recommends a first and final dividend of 4.0 sen per share under the single tier system (2017: 4.5 sen per share under the single tier system) subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company. The dates of the Annual General Meeting and book closure for the above dividend will be announced in due course.

25. EARNINGS PER SHARE (EPS)

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

	Current Quarter	Current Year To-Date
<u>Basic/Fully Diluted EPS</u>		
Profit attributable to owners of the Company (RM'000)	<u>10,238</u>	<u>37,471</u>
<u>Number of shares ('000)</u>		
Number of ordinary shares in issue	<u>191,604</u>	<u>191,604</u>
Basic/Fully Diluted EPS (sen)	<u>5.34</u>	<u>19.56</u>

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 27 February 2019.