



YEE LEE CORPORATION BHD.

(Company No. 13585-A)

**QUARTERLY REPORT ON CONSOLIDATION RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2019
(THE FIGURES HAVE NOT BEEN AUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019**

| | INDIVIDUAL QUARTER | | Changes (%) | CUMULATIVE | | Changes (%) |
|--------------------------------------------------|---------------------|---------------------|----------------|---------------------|---------------------|----------------|
| | Quarter ended | Quarter ended | | Period ended | Period ended | |
| | 30/6/2019 RM'000 | 30/6/2018 RM'000 | | 30/6/2019 RM'000 | 30/6/2018 RM'000 | |
| Revenue | 285,605 | 268,249 | 6.5% | 553,912 | 545,008 | 1.6% |
| Other income | 1,885 | 1,732 | 8.8% | 3,815 | 3,264 | 16.9% |
| Operating expenses | (281,717) | (259,934) | 8.4% | (544,382) | (526,858) | 3.3% |
| Finance costs | (1,832) | (1,621) | 13.0% | (3,434) | (3,302) | 4.0% |
| Share of profits of an associated company | 2,326 | 1,929 | 20.6% | 4,641 | 3,841 | 20.8% |
| Share of loss of joint venture | (73) | (15) | 386.7% | (125) | (25) | 400.0% |
| Profit before tax | 6,194 | 10,340 | -40.1% | 14,427 | 21,928 | -34.2% |
| Tax expense | (1,431) | (2,285) | -37.4% | (3,328) | (5,195) | -35.9% |
| Profit for the period | 4,763 | 8,055 | -40.9% | 11,099 | 16,733 | -33.7% |
| Profit attributable to: Owners of the Company | 4,763 | 8,055 | -40.9% | 11,099 | 16,733 | -33.7% |
| Earnings per share: | | | | | | |
| (a) Basic (sen) | 2.49 | 4.20 | -40.7% | 5.79 | 8.73 | -33.7% |
| (b) Fully diluted (sen) | 2.49 | 4.20 | -40.7% | 5.79 | 8.73 | -33.7% |

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018)



YEE LEE CORPORATION BHD.

(Company No. 13585-A)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019**

| | INDIVIDUAL QUARTER | | Changes (%) | CUMULATIVE | | Changes (%) |
|------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|----------------|---------------------|---------------------|----------------|
| | Quarter ended | Quarter ended | | Period ended | Period ended | |
| | 30/6/2019 RM'000 | 30/6/2018 RM'000 | | 30/6/2019 RM'000 | 30/6/2018 RM'000 | |
| Profit for the period | 4,763 | 8,055 | -40.9% | 11,099 | 16,733 | -33.7% |
| Other comprehensive (loss)/income: | | | | | | |
| Exchange differences on translating foreign entity | 374 | 1,240 | -69.8% | (123) | (551) | -77.7% |
| Fair value loss on investments in equity instruments designated as at fair value through other comprehensive income | (1) | (3) | -66.7% | (1) | (4) | -75.0% |
| Share of other comprehensive (loss)/income of an associated company | (3) | 4 | -175.0% | (13) | 9 | -244.4% |
| Total other comprehensive income/(loss) for the period | 370 | 1,241 | -70.2% | (137) | (546) | -74.9% |
| Total comprehensive income attributable to owners of the Company | 5,133 | 9,296 | -44.8% | 10,962 | 16,187 | -32.3% |
| | | | | | | |

(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 2018)



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

| | As at 30/06/19 RM'000 | As at 31/12/18 RM'000 |
|------------------------------------------------------------|-----------------------------|-----------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 456,969 | 455,819 |
| Right-of-use assets | 1,735 | - |
| Investment properties | 8,076 | 8,076 |
| Investment in an associated company | 132,602 | 130,166 |
| Investment in a joint venture | 413 | 538 |
| Other investments | 32 | 33 |
| Goodwill on consolidation | 1,612 | 1,612 |
| | 601,439 | 596,244 |
| Current assets | | |
| Other investments | 11,810 | 13,550 |
| Biological assets | 240 | 245 |
| Inventories | 117,202 | 104,129 |
| Trade and other receivables | 192,473 | 188,184 |
| Current tax assets | 7,212 | 5,995 |
| Other assets | 6,044 | 5,416 |
| Deposits, cash and bank balances | 70,464 | 63,879 |
| | 405,445 | 381,398 |
| TOTAL ASSETS | 1,006,884 | 977,642 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the parent | | |
| Share capital | 108,400 | 108,400 |
| Investment revaluation reserve | (5) | (4) |
| Translation reserve | 343 | 466 |
| Capital reserve | 13,277 | 13,290 |
| Retained earnings | 519,866 | 508,767 |
| TOTAL EQUITY | 641,881 | 630,919 |
| Non-current liabilities | | |
| Borrowings | 21,694 | 19,993 |
| Lease liabilities | 488 | - |
| Deferred tax liabilities | 41,132 | 41,092 |
| | 63,314 | 61,085 |
| Current liabilities | | |
| Trade and other payables | 127,694 | 129,234 |
| Borrowings | 132,250 | 129,797 |
| Lease liabilities | 1,270 | - |
| Current tax liabilities | 68 | 721 |
| Other liabilities | 40,407 | 25,886 |
| | 301,689 | 285,638 |
| TOTAL LIABILITIES | 365,003 | 346,723 |
| TOTAL EQUITY AND LIABILITIES | 1,006,884 | 977,642 |
| Net assets per share (RM) | 3.3500 | 3.2928 |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018)



YEE LEE CORPORATION BHD.

(Company No. 13585-A)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019**

| | Non-distributable | | | | Distributable | Total RM'000 | |
|--------------------------------------------------|----------------------------|----------------------------------------------|------------------------------------------------|----------------------------------|------------------------------|-----------------|--------------------------------|
| | Share Capital RM'000 | Property Revaluation Reserve RM'000 | Investment Revaluation Reserve RM'000 | Translation Reserve RM'000 | Capital Reserve RM'000 | | Retained Earnings RM'000 |
| Balance at 1 January 2019 | 108,400 | - | (4) | 466 | 13,290 | 508,767 | 630,919 |
| Total comprehensive (loss)/income for the period | - | - | (1) | (123) | (13) | 11,099 | 10,962 |
| Balance at 30 June 2019 | 108,400 | - | (5) | 343 | 13,277 | 519,866 | 641,881 |
| 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 period | - | - | (4) | (551) | 9 | 16,733 | 16,187 |
| Balance at 30 June 2018 | 108,400 | - | (5) | (20) | 13,283 | 496,651 | 618,309 |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018)



YEE LEE CORPORATION BHD.

(Company No. 13585-A)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

| | PERIOD ENDED 30/6/2019 RM'000 | PERIOD ENDED 30/6/2018 RM'000 |
|-----------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES | | |
| Profit before tax | 14,427 | 21,928 |
| Adjustments for: | | |
| Non-cash and non-operating items | 8,497 | 7,827 |
| Operating profit before working capital changes | 22,924 | 29,755 |
| Movements in working capital | | |
| (Increase)/Decrease in current assets | (19,909) | 8,641 |
| Increase/(Decrease) in current liabilities | 12,988 | (4,727) |
| Cash generated from operations | 16,003 | 33,669 |
| Tax paid | (5,622) | (6,310) |
| Tax refunded | 463 | - |
| Net cash from operating activities | 10,844 | 27,359 |
| CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES | | |
| Dividend received from an associated company | 2,188 | 3,335 |
| Interest received | 497 | 388 |
| Rental from investment properties received | 137 | 112 |
| Dividend income from other investments | 3 | - |
| Proceeds from disposal of property, plant and equipment | 42 | 65 |
| Redemption of other investments | 2,000 | - |
| Purchase of additional shares in an associated company | - | (4,024) |
| Placement of other investments | - | (2,000) |
| Purchase of property, plant and equipment | (7,522) | (8,226) |
| Net cash used in investing activities | (2,655) | (10,350) |
| CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES | | |
| Repayment of borrowings | (4,346) | (4,944) |
| Repayment of lease liabilities | (958) | - |
| Finance cost paid | (3,371) | (3,302) |
| Net cash used in financing activities | (8,675) | (8,246) |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (486) | 8,763 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 61,322 | 53,356 |
| Effect of exchange rate changes on the balance of cash held in foreign currencies | 29 | 69 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 60,865 | 62,188 |
| Cash and cash equivalents comprise the following: | | |
| Deposits | 30,311 | 13,317 |
| Cash and bank balances | 40,153 | 51,848 |
| Bank overdrafts | (9,599) | (2,967) |
| | 60,865 | 62,198 |
| Less: Fixed deposits pledged to a bank | - | (10) |
| | 60,865 | 62,188 |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018)



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 ("BMSB") and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2018.

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 2018, except for the adoption of the following new MFRS, amendments and annual improvements to MFRSs and IC Interpretation for annual financial periods beginning on or after 1 January 2019.

| | |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| MFRS 16: | Leases |
| Amendments to MFRS 9: | Financial Instruments: Prepayment Features with Negative Compensation |
| Amendments to MFRS 119: | Employee Benefits: Plan Amendment, Curtailment or Settlement |
| Amendments to MFRS 128: | Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures |
| Annual Improvements to MFRS Standards 2015 – 2017 Cycle | |
| IC Interpretation 23: | Uncertainty over Income Tax Treatments |

The adoption of the above MFRSs does not have significant financial impact to the Group except for MFRS 16 Leases as disclosed below:

MFRS 16 Leases

MFRS 16 replaces MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. ROU asset is depreciated throughout the lease period in accordance with the depreciation requirements of MFRS 116 Property, Plant and Equipment whereas lease liability is accreted to reflect interest and is reduced to reflect lease payments made.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases. The Group adopted MFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019, comparative are not restated. The Group recognised ROU assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets.



In accordance with the transition requirements, comparative figures are not restated. The effect of the adoption of MFRS 16 is as follows:

Condensed Consolidated Statement of Financial Position

| | As at 31 December 2018 RM'000 | Effect of adoption of MFRS 16 RM'000 | As at 1 January 2019 RM'000 |
|---------------------------------------|--------------------------------------------------|---------------------------------------------------------|--------------------------------------------|
| <u>Non-current assets</u> | | | |
| Right-of-use assets | - | 2,553 | 2,553 |
| <u>Non-current liabilities</u> | | | |
| Lease liabilities | - | 2,553 | 2,553 |

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.

7. DEBT AND EQUITY SECURITIES

There were no 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.



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10. MATERIAL SUBSEQUENT EVENT

There were no material events subsequent to the end of the financial period ended 30 June 2019 up to the date of issuance of this report which have not been reflected in the financial statements for the said period.

11. SIGNIFICANT EVENT

On 26 April 2019, the Company announced that a notice of unconditional voluntary take-over offer ("the Offer") was received from Yee Lee Organization Bhd, Dato' Lim A Heng @ Lim Kok Cheong, Datin Chua Shok Tim @ Chua Siok Hoon, Lim Ee Young and Langit Makmur Sdn Bhd ("Joint Offerors") in respect of the Joint Offerors' intention to undertake the Offer to acquire all the remaining ordinary shares in the Company ("Offer Shares") not already held by the Joint Offerors for a cash consideration of RM2.33 per offer share.

On 17 May 2019, the Offer Documents were circulated to the shareholders by the Joint Offerors and the first closing date is on 7 June 2019.

On 27 May 2019, the Company's Independent Adviser, Affin Hwang Investment Bank Berhad ("Affin Hwang"), had circulated the Independent Advice Circular to the Holders of the Offer Shares ("the Holders"). Affin Hwang was of the view that the Offer price was unfair but reasonable, and accordingly recommended the Holders to accept the Offer.

On 3 June 2019, the Joint Offerors extended the closing date of the Offer from 7 June 2019 to 21 June 2019.

On 13 June 2019, the Company announced that the Joint Offerors have collectively hold 79.33% of the total issued shares of the Company. As a result, the Company's public shareholding spread fell below 25% of its total listed shares and is deemed not in compliance with the public shareholding spread requirement under Paragraph 8.02(1) of the Listing Requirements which stipulates that a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders ("Public Spread Requirements").

Under Section 4 of the Offer Documents dated 17 May 2019, the Joint Offerors have stated that they do not intend to maintain the listing status of the Company and may procure the Company to take the requisite steps to withdraw its listing status from the Official List of BMSB in accordance with Paragraph 16 of the Listing Requirements.

On 18 June 2019, the Joint Offerors informed that the closing date of the Offer for acceptance of the Offer has been extended to 3 July 2019 ("Final Closing Date").

On 3 July 2019, the Joint Offerors informed that the Offer has closed at 5.00 p.m. on 3 July 2019.

On 11 July 2019, BMSB had vide its letter dated 10 July 2019, granted the Company an extension of time of 6 months until 4 January 2020, to comply with the Public Spread Requirements.

Other than the abovementioned, there were no other events subsequent to the end of the financial period ended 30 June 2019 up to the date of issuance of this report which have not been reflected in the financial statements for the said period.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no other changes in the composition of the Group during the current financial period to date.

13. CONTINGENT ASSETS AND LIABILITIES

The Company has provided corporate guarantees amounting to RM7.30 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 23 August 2019.



14. CAPITAL COMMITMENTS

Capital commitments not provided for in the financial statements as at 30 June 2019 are as follows:

| | RM'000 |
|---------------------------------------------------------------|---------------|
| Property, plant and equipment: Approved and contracted for | <u>15,219</u> |

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

15. REVIEW OF PERFORMANCE

Current quarter vs. preceding year corresponding quarter

Despite achieving a sales growth of 6.5%, the Group recorded a lower profit before tax of RM6.19 million in this quarter as compared to RM10.34 million a year ago. All the divisions' performance was lower than the preceding year corresponding quarter except our associated company, Spritzer Bhd ("SB") registered a higher profit contribution of 20.6% to the Group, from RM1.93 million a year ago to RM2.33 million.

Manufacturing division

The manufacturing division recorded a lower revenue of RM51.47 million in this quarter as compared to RM60.49 million a year ago. The decrease in revenue in this quarter was mainly attributed to lower sales of aerosol cans and palm kernel. Correspondingly, the division's profit before tax dropped from RM3.46 million a year ago to RM2.34 million. With more reliable of fresh fruit bunches ("FFB") supplies, our palm oil mill continued to achieve profit in this quarter as compared to a loss a year ago through much better oil extraction rate ("OER"). However, both the aerosol can business and palm oil refinery's profit margin was affected by intense price competition among their competitors to gain market share.

Trading division

The trading division achieved a higher sales growth of 12.6% in this quarter driven by higher sales of beverages, Campbells', Kizz and Sunplus products offsetting the drop in sales of cooking oils. The division had continued to invest in brand building to strengthen their product portfolio for long term sustainable growth which resulted in higher advertisement and promotion expenses in this quarter. More marketing promotion activities were also carried out in this quarter to boost sales. As a result, the division's profit before tax decreased by 49.4% from RM5.36 million a year ago to RM2.71 million.

Plantation division

The plantation division incurred a higher loss before tax of RM1.14 million in this quarter as compared to RM0.79 million a year ago as both the tea and oil palm plantations have not turnaround in this quarter. Despite achieving higher production of FFB, our oil palm plantation still incurred a loss in this quarter mainly affected by the current weak FFB prices coupled with expected low FFB yield for its young palm trees in its newly developed estate in Ranau, Sabah. The current sales volume of tea is still insufficient to cover its plantation cost.

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

The Group recorded a higher revenue of RM553.91 million for the period ended 30 June 2019 as compared to RM545.01 million a year ago. However, the Group's profit before tax dropped by 34.2% from RM21.93 million a year ago to RM14.43 million. All the divisions' performance was lower than the preceding year except SB where its profit contribution to the Group increased by 20.8% from RM3.84 million to RM4.64 million.



Manufacturing division

The manufacturing division recorded a lower revenue of RM107.07 million for the current period as compared to RM126.17 million a year ago. The decrease in revenue was attributed to drop in sales of aerosol cans and palm kernel coupled with lower selling price of palm based products as a result of substantial drop in crude palm oil price. Correspondingly, the division's profit before tax dropped by 18.4% from RM8.53 million a year ago to RM6.96 million. Both the aerosol can business and palm oil refinery's profit margin was affected by intense price competition among its competitors to gain market share. On the other hand, our palm oil mill continued to contribute positively to the Group's profitability with much better OER.

Trading division

The trading division achieved a sales growth of 6.6% in the current period through higher sales of beverages, Campbells', Kizz and Sunplus products offsetting the drop in sales of cooking oils. However, the division's profit before tax dropped to RM4.40 million from RM10.24 million a year ago mainly due to higher advertisement and promotion spending for brand building and marketing campaigns to boost sales.

Plantation division

The plantation division recorded a higher loss before tax of RM2.12 million in the current period as compared to RM1.44 million a year ago as both the oil palm and tea plantations were still suffering losses. The performance of the oil palm plantation was affected by the current weak FFB prices. Although more planted areas are due for their first harvest in our Ranau estate, the yield for these young palm trees is still low to cover its plantation costs. Our tea plantation is still unable to turnaround with its current low sales volume.

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

Despite revenue increased by 6.4%, the Group recorded a lower profit before tax of RM6.19 million in this quarter as compared to RM8.23 million in the preceding quarter. The lower profit in this quarter was mainly due to drop in sales of aerosol cans and profit margin compression faced by the aerosol can business. However, the trading division performed better than the preceding quarter through higher sales of energy drinks, Old Town and Campbells' products.

17. CURRENT YEAR PROSPECTS

The domestic consumer sentiments had improved in the second quarter of 2019 but the consumer sentiments index is still below the optimism level. The global economic conditions is expected to remain challenging with the escalating global trade tensions. In view of the softening market conditions, our trading division will continue to strengthen its product portfolio to offer more variety of products to consumers through its strong distribution networks. Our Malaysian Government had implemented the sugar sweetened beverages excise duty effective 1 July 2019 with the intention to change people's consumption of sweet beverages in order to be more healthier. With the growing consumers' health-consciousness, we foresee this will increase the demand for bottled mineral water which will be benefiting us given our two strong brands Spritzer and Cactus.

After revamping the FFB pricing structure and tightening our FFB supplies, our palm oil mill managed to turnaround and sustain its profitability. Judging by its performance, the Board of Directors expects the palm oil mill will continue to contribute positively to the Group's profitability.

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

| | Quarter ended | | Period ended | |
|---------------------------------------------------|---------------|-----------|--------------|-----------|
| | 30/6/2019 | 30/6/2018 | 30/6/2019 | 30/6/2018 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest income | (257) | (198) | (497) | (388) |
| Interest expense | 1,727 | 1,499 | 3,227 | 3,028 |
| Depreciation and amortisation | 4,507 | 3,884 | 8,891 | 7,779 |
| Provision for and write off of receivables | 323 | 189 | 497 | 380 |
| Provision for and write off of inventories | 400 | 348 | 823 | 715 |
| Loss on disposal of property, plant and equipment | 1 | 1 | 41 | 8 |
| Property, plant and equipment written off | 153 | 75 | 223 | 79 |
| Changes in fair value of biological assets | (4) | 21 | 5 | 47 |
| (Gain)/Loss on foreign exchange | 1 | 228 | (174) | 477 |
| (Gain)/Loss on derivatives | - | - | - | - |
| Exceptional items | - | - | - | - |

19. VARIANCE BETWEEN FORECAST AND ACTUAL PROFIT

No profit forecast or guarantee was issued by the Group.

20. TAX EXPENSE

| | Current Quarter RM'000 | Current Year To-Date RM'000 |
|---------------------|------------------------------|-----------------------------------|
| Current tax expense | (1,474) | (3,288) |
| Deferred tax | 43 | (40) |
| | <u>(1,431)</u> | <u>(3,328)</u> |

The effective tax rate for the current quarter and financial period to date is lower than the statutory income tax rate mainly due to lower statutory tax rate in a foreign subsidiary company.

21. STATUS OF CORPORATE PROPOSALS

There were no outstanding corporate proposals as at 23 August 2019.

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

Not applicable.

23. GROUP BORROWINGS

The Group borrowings (denominated in local currency) as at 30 June 2019 are as follows:

| | Non-current RM'000 | Current RM'000 | Total RM'000 |
|-------------------------|-----------------------|-------------------|-----------------|
| <u>Unsecured</u> | | | |
| Term loans | 19,532 | 1,049 | 20,581 |
| Revolving credits | - | 21,000 | 21,000 |
| Bankers' acceptances | - | 99,646 | 99,646 |
| Bank overdrafts | - | 9,599 | 9,599 |
| <u>Secured</u> | | | |
| Hire-purchase payables | 2,162 | 956 | 3,118 |
| | <u>21,694</u> | <u>132,250</u> | <u>153,944</u> |



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24. MATERIAL LITIGATION

There were no material litigation involving the Group as at 23 August 2019.

25. PROPOSED DIVIDEND

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

26. 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) | 4,763 | 11,099 |
| <u>Number of shares ('000)</u> | | |
| Number of ordinary shares in issue | 191,604 | 191,604 |
| Basic/Fully Diluted EPS (sen) | 2.49 | 5.79 |

27. 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 28 August 2019.