

About Us

THREE-A RESOURCES BERHAD (TARB) is principally an investment holding company with one wholly-owned subsidiary, San Soon Seng Food Industries Sdn Bhd (SSSFI). SSSFI was founded in 1977 as a Liquid Caramel producer named under Soon Seng Sauce Mixture & Food Factory. By 1989, the Company was incorporated as a private limited company under the name San Soon Seng Food Industries Sdn Bhd. In 1999, Perbadanan Nasional Berhad (PNS) took 30% equity stake through a capital injection and subsequently in 2002, SSSFI became the wholly-owned subsidiary of TARB and listed on MESDAQ Market of Bursa Malaysia Securities Berhad. Today, SSSFI is one of the leading food & beverage ingredients manufacturers in the country with products ranging as follows:

• **Caramel Colour (Full Range)** • **Soya Protein Sauce (Hydrolyzed Vegetable Protein; HVP)** • **Natural Fermented Vinegar (NFV)** • **Glucose Syrup & Maltose Syrup** • **Caramel Powder** • **Hydrolyzed Vegetable Protein (HVP) Powder** • **Soya Sauce Powder**

TARB Group has ventured into countries around the world and the Group believes that the export market shall provide the much needed earnings growth in the future.

All products produced by TARB Group are HALAL certified by Islamic Development Department of Malaysia. SSSFI was awarded the Internationally Acclaimed ISO 9001:2000 with UKAS (United Kingdom Accreditation System) by SIRIM for Quality Management System. TARB Group is well recognized for its quality products and services to its customers. The Group enhances to further its product range and strive for continuous improvements to meet customers' satisfaction, as illustrated in the Group's ISO Quality Policy as below:

SAFE AND QUALITY PRODUCT
SATISFACTION OF CUSTOMER
STRIVE FOR CONTINUAL IMPROVEMENT

The Group is in the process of obtaining Hazard Analysis Critical Control Point (HACCP) Certification, a widely recognized certification for high quality products which will further strengthen the Group's ability to penetrate into export markets.

Products Application

Products	Application
Caramel Colour (Full Range)	Positive - sauces and seasonings such as soy sauce, oyster sauce, fish sauce, seasoning mix, soup base and gravies; etc. Negative - beverages industry such as soft drinks, cordials, pharmaceutical industry, baked products and confectionery, canned foods, dairy products; etc.
Soya Protein Sauce (HVP)	sauces and seasonings such as soy sauce, oyster sauce, snack foods; etc.
Natural Fermented Vinegar	ketchup, chili sauce, table vinegar, pickles, mayonnaise; etc.
Glucose Syrup & Maltose Syrup	confectionery, pharmaceutical industry, ice-cream, beverages; etc.
Caramel Powder, HVP Powder Soya Sauce Powder	flavours, seasonings, sauces, beverages, dry mixes, confectionery, frozen foods, snack foods; etc.

Corporate Information

Board of Directors

Dato' Mohd Nor Bin Abdul Wahid
Non-Independent Executive Chairman

Fang Chew Ham
Deputy Executive Chairman
& Managing Director

Fong Chu King @ Tong Chu King
Non-Independent Executive Director

Foong Chiew Fatt
Non-Independent Executive Director

Fong Chiew Hean
Non-Independent Non-Executive Director

Chew Eng Chai
Independent Non-Executive Director

Tan Chon Sing @ Tan Kim Tieng
Independent Non-Executive Director

Dato' Samsudin Bin Abu Hassan
Independent Non-Executive Director

Fang Siew Yee
Non-Independent Executive Director

Liew Kuo Shin
Non-Independent Executive Director

Fang Siew Ping
Non-Independent Executive Director

Khoo Wee Boon
Independent Non-Executive Director

Secretaries

Ng Bee Lian (MAICSA 7041392)
Tan Enk Purn (MAICSA 7045521)

Audit Committee

Chew Eng Chai
- Chairman
Tan Chon Sing @ Tan Kim Tieng
Dato' Mohd Nor Bin Abdul Wahid

Nomination Committee

Dato' Samsudin Bin Abu Hassan
- Chairman
Chew Eng Chai
Fong Chu King @ Tong Chu King

Remuneration Committee

Tan Chon Sing @ Tan Kim Tieng
- Chairman
Chew Eng Chai
Dato' Mohd Nor Bin Abdul Wahid

Registered Office

AL 308, Lot 590 & Lot 4196
Jalan Industri, U 19
Kampung Baru Seri Sungai Buloh
47000 Selangor Darul Ehsan
Malaysia
Tel : 603-6156 2655
Fax : 603-6156 2657
E-mail : three-a@three-a.com.my
Website : www.three-a.com.my

Company No.

481559-M

Sponsor

AmMerchant Bank Berhad
21st Floor
Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel : 603-2078 2633
Fax : 603-2070 8596
Website : www.ambg.com.my

Principal Bankers

OCBC Bank (Malaysia) Berhad
Bumiputra-Commerce
Bank Berhad
EON Bank Berhad

Auditors

Ernst & Young
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel : 603-2087 7000
Fax : 603-2095 9076

Share Registrar

Symphony Share
Registrars Sdn Bhd
Level 26
Menara Multi Purpose
Capital Square
No.8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 603-2721 2222
Fax : 603-2721 2530

Stock Exchange Listing

MESDAQ Market
Bursa Malaysia Securities Berhad

Stock Code Name

3A
Stock Code : 0012

Board of Directors' Profile

Dato' Mohd Nor Bin Abdul Wahid

(53 years of age)

Malaysian

Non-Independent Executive Chairman.

Appointed to the Board on 10 May 2002.

Dato' Mohd Nor holds a MBA in Finance from the American World University, Iowa, USA. He started his career with Bank Bumiputra Malaysia Berhad and was with the Bank Bumiputra Group for 23 years, rising from the position of Executive Trainee in the Bank's wholly owned subsidiary, Kewangan Bumiputra Berhad to a position as one of the Senior General Manager of the Bank, in-charged of Commercial Banking Division. He was also appointed as Director of several subsidiaries of the Bank. His experience includes both conventional and interest-free (Islamic) banking.

Presently, Dato' Mohd Nor is the Managing Partner of Mohd Nor, Zaki & Partners, a financial management consultants firm. He also holds directorship in Aikbee Resources Bhd. and sits in the Board of Trustee of Yayasan Wilayah Persekutuan and Institute Professional Baitumal.

Dato' Mohd Nor has attended all four Board Meetings during the financial year ended 31 December 2005. He has no conflict of interest with the Group and has not been convicted of offences within the past ten years. He is a member of the Remuneration and Audit Committees of the Company.

Fang Chew Ham

(58 years of age)

Malaysian

Deputy Executive Chairman and Managing Director.

Appointed to the Board on 10 May 2002.

Mr. Fang Chew Ham started the family business producing liquid caramel for more than 25 years ago. In 1978, he set up the Soon Seng Sauce Mixture and Food industry to manufacture Caramel Colour and this partnership was subsequently converted into San Soon Seng Food Industries Sdn Bhd (SSSFI) in 1989; and became a wholly owned subsidiary of Three-A Resources Berhad on 30th April 2002. Equipped with vast experience in the business of sauces and Caramel Colour, he heads the management of SSSFI.

His leadership together with the expanded management personnel will result in broad and flexible goal setting, to

meet the quality of the ever changing demands and the development of further products related to the manufacturing of food and beverage ingredients.

Mr. Fang is the co-opted member of The Working Group of Sauces which prepared the Malaysian Standard MS 513:1993 (SIRIM) – Specification for Caramel in the Manufacture of Soya Sauce.

Mr. Fang Chew Ham has attended all four Board Meetings during the financial year ended 31 December 2005. He is a brother of Fong Chu King @ Tong Chu King, Foong Chiew Fatt and Fong Chiew Hean; and is father of Fang Siew Yee and Fang Siew Ping, all of whom are the current Directors of the Group. He has no conflict of interest with the Group and has not been convicted of offences within the past ten years.

Fong Chu King @ Tong Chu King

(61 years of age)

Malaysian

Non-Independent Executive Director and General Manager of the Group.

Appointed to the Board on 10 May 2002.

Mr. Fong Chu King joined SSSFI in May 2000 after his retirement from Megasteel Mills Sdn Bhd. Mr. Fong graduated with a Bachelor of Science in Chemical Engineering from the National Taiwan University. A qualified Professional Engineer with Lembaga Jurutera Malaysia and a member of Institution Engineer Malaysia, he has more than 25 years of working experience in manufacturing industries. In his 20 years of service with the Lion Group of Companies, he held a number of positions including Manager of Amsteel Mills Sdn Bhd, General Manager of Megasteel Mills Sdn Bhd. As an Executive Director and General Manager, he is fully in-charge of the operation and plant expansion of TARB Group.

Mr. Fong Chu King has attended all four Board Meetings during the financial year ended 31 December 2005. He is a brother of Fang Chew Ham, Foong Chiew Fatt and Fong Chiew Hean, all of whom are the current Directors of the Group. He has no conflict of interest with the Group and has not been convicted of offences within the past ten years. He is a member of the Nomination Committee of the Company.

Board of Directors' Profile (Cont'd)

Foong Chiew Fatt

(73 years of age)

Malaysian

Non-Independent Executive Director.

Appointed to the Board on 10 May 2002.

Mr. Foong Chiew Fatt was one of the founders of SSSFI with his two brothers. He brings with his vast experience in the sauce making industry and is one of the contributors to the long term strategy of the Group.

Mr. Foong Chiew Fatt has attended all four Board Meetings during the financial year ended 31 December 2005. He is a brother of Fang Chew Ham, Fong Chu King @ Tong Chu King and Fong Chiew Hean, all of whom are the current Directors of the Group. He has no conflict of interest with the Group and has not been convicted of offences within the past ten years.

Fong Chiew Hean

(69 years of age)

Malaysian

Non-Independent Non-Executive Director.

Appointed to the Board on 10 May 2002.

Mr. Fong Chiew Hean was one of the initial founders of SSSFI. With vast experience in the sauce making industry, he actively contributes to the long term success of the Group.

Mr. Fong Chiew Hean has attended all four Board Meetings during the financial year ended 31 December 2005. He is a brother of Fang Chew Ham, Foong Chiew Fatt and Fong Chu King @ Tong Chu King, all of whom are the current Directors of the Group. He has no conflict of interest with the Group and has not been convicted of offences within the past ten years.

Chew Eng Chai

(56 years of age)

Malaysian

Independent Non-Executive Director.

Appointed to the Board on 17 June 2002.

Mr. Chew Eng Chai is a fellow of the Institute of Chartered Accountants in England and Wales. He is also a member of the Malaysian Institute of Accountants as well as a member of the Malaysian Institute of Certified Public Accountants. Mr. Chew was formerly the Director of Yeo Hiap Seng (Malaysia) Berhad, a company he had

joined since 1975. He has more than 27 years experience in the food & beverage industry.

Mr. Chew Eng Chai has attended all four Board Meetings during the financial year ended 31 December 2005. He has no conflict of interest with the Group and has not been convicted of offences within the past ten years. He is the Chairman of the Audit Committee and also sits on the Nomination and Remuneration Committees of the Company.

Tan Chon Sing @ Tan Kim Tieng

(67 years of age)

Malaysian

Independent Non-Executive Director.

Appointed to the Board on 17 June 2002.

Mr. Tan Chon Sing graduated in 1963 with a Bachelor of Commerce in Accounting from Nanyang University, Singapore. He was a banker for eleven years before joining the stockbroking industry in 1976. He was admitted as a member of Bursa Malaysia Securities Berhad in 1987 and appointed as an Executive Director of Seremban Securities Sdn Bhd (now known as Malpac Management Sdn Bhd) until November 2001. He is currently a Director of Malpac Holdings Berhad and also sits on the Board of several other private limited companies.

Mr. Tan Chon Sing has attended all four Board Meetings during the financial year ended 31 December 2005. He has no conflict of interest with the Group and has not been convicted of offences within the past ten years. He is the Chairman of Remuneration Committee and also sits on the Audit Committee.

Dato' Samsudin Bin Abu Hassan

(50 years of age)

Malaysian

Independent Non-Executive Director.

Appointed to the Board on 30 August 2002.

Dato' Samsudin is a fellow member of the Chartered Institute of Management Accountants (UK). Dato' Samsudin has extensive experience in various businesses and a well-known corporate figure. After his graduation in London in 1980, he started his career as an Investment Officer in a local institution. In a period of more than twenty years thereafter, he has served in various positions in several private and public listed companies including as CEO, Director and Executive Chairman.

Board of Directors' Profile (Cont'd)

Dato' Samsudin currently sits on the Board of Seacera Tiles Berhad and is the President of the Malaysian Furniture Industry Council (MFIC) and a Trustee-Director of Malaysian Furniture Promotion Council (MFPC).

Dato' Samsudin has attended three Board Meetings out of four during the financial year ended 31 December 2005. He has no conflict of interest with the Group and has not been convicted of offences within the past ten years. He is the Chairman of Nomination Committee and also sits on the Audit Committee.

Fang Siew Yee

(26 years of age)

Malaysian

Non-Independent Executive Director.

Appointed to the Board on 03 March 2004.

Ms. Fang Siew Yee joined San Soon Seng Food Industries Sdn Bhd in 2001 as Assistant Manager and responsible for the administrative and purchasing matters of the Group. She graduated with an Honours Degree in Bachelor of Business Administration (Management) in 2001 from the University of Greenwich, London U.K.

Ms. Fang Siew Yee has attended all four Board Meetings during the financial year ended 31 December 2005. She is the daughter of Fang Chew Ham; spouse of Liew Kuo Shin and sister of Fang Siew Ping, all of whom are the current Directors of the Group. She has no conflict of interest with the Group and has not been convicted of offences within the past ten years.

Liew Kuo Shin

(28 years of age)

Malaysian

Non-Independent Executive Director.

Appointed to the Board on 27 September 2004.

Mr. Liew Kuo Shin graduated as a Mechanical Engineer and joined San Soon Seng Food Industries Sdn Bhd in 2001. He is the General Factory Manager of TARB Group and is responsible for the plant production functions, and overall co-ordination of all plants. He is also in-charge of maintenance of plant and machinery in TARB Group.

Mr. Liew Kuo Shin has attended all four Board Meetings during the financial year ended 31 December 2005. He is the spouse of Fang Siew Yee, whom is one of the

current Directors of the Group. He has no conflict of interest with the Group and has not been convicted of offences within the past ten years.

Fang Siew Ping

(24 years of age)

Malaysian

Non-Independent Executive Director.

Appointed to the Board on 27 September 2004.

Ms. Fang Siew Ping joined San Soon Seng Food Industries Sdn Bhd in 2004 as Research & Development Assistant Manager and heads the R&D Department of SSSFI. She graduated with Bachelor Degree in Chemistry from the United States of America.

Ms. Fang Siew Ping has attended all four Board Meetings during the financial year ended 31 December 2005. She is the daughter of Fang Chew Ham; and sister of Fang Siew Yee, all of whom are the current Directors of the Group. She has no conflict of interest with the Group and has not been convicted of offences within the past ten years.

Khoo Wee Boon

(57 years of age)

Malaysian

Independent Non-Executive Director.

Appointed to the Board on 27 September 2004.

Mr. Khoo Wee Boon had completed GCE in 1966 from University of Cambridge, and completed Advance Bank Management Program from Asia Institute of Management; Eugenio Lopez Foundation, an affiliate of Ateneo De Manila University and De La Salle University, Manila in 1989.

Mr. Khoo began his career as an Internal Auditor in Malayan Banking Berhad from 1973 to 1979, and as a Credit Officer in Maybank from 1979 to 1982. From 1984 to 1995, he was a Manager in Affin Bank Berhad and as a Dealer Representative in Omega Securities Berhad from 1995 to 1998. He currently works as a Dealer Representative with Hwang-DBS Securities Berhad since 1998.

Mr. Khoo Wee Boon has attended all four Board Meetings during the financial year ended 31 December 2005. He has no conflict of interest with the Group and has not been convicted of offences within the past ten years.

Chairman's Statement

Focusing on Fundamental Strengths



Financial Performance

The year 2005 was another marvellous year for the Group. In comparison, the revenue of the year 2005 had increased by 17% from RM60.59 million to RM70.80 million while profits attributable to shareholders had increased by 9% from RM4.4 million to RM4.8 million.

The Group had benefited from the various efforts exerted towards sales and marketing, expansion of our plant capacity and continuous steps taken to achieve high quality standards to meet customers' expectations. Challenges in competition and unprecedented level of fuel prices are addressed with implementation of strategic measures of improved production efficiencies, cost savings programs which are in the process of implementation.

Prospects

The Group is implementing a new project to produce Malto Dextrin - a glucose-based powder. It is used for

a wide range of products such as 3 in 1 products (instant beverage drinks), ice creams and other related ingredient products in the food industry. Based on our implementation plan, the new product will be sold in the local and export market in early 2007. Currently, powdered Malto Dextrin is imported mainly from USA, Thailand, China and European Union countries. SSSF1 is confident that the production of Malto Dextrin will be an import substitute for the local market.

We have also taken into account to address external factors that affect our business environment in the year 2005. Having to cope with significant increased energy costs, intense global competition, we have successfully implemented strategies and remain vigilant in response to these challenging uncertainties. These strategies include the use of alternative sources of energy other than fuel oil such as natural gas, which is cheaper and abundant in Malaysia.



A Brief Note on Malto Dextrin Project

Malto Dextrin is relatively non-sweet, nutritive, saccharified polymers, powder form, having a dextrose equivalent (DE) of less than 20. They are often utilized as bulking and browning agents and can be used as a binding compound diluent. They also play an important role in application ranging from processed food to infant formulas and dieters application. Typical examples of usage are as ingredients for 3 in 1 drinks, ice creams, sauces, confectionery, etc.

Presently, all Malto Dextrin powder is imported from overseas countries such as USA, Thailand, China and European Union countries. With this project, the Company will be the only local manufacturer to produce Malto Dextrin as an import substitute for the local market.

The Group is adopting a conservative approach for this project. Our Glucose Plant started production in the year 2001 with an initial rated capacity of 2,000 metric tons per month. Manufacturing processes of Glucose Plant entail conversion, purification and vacuum evaporation processes and the final product is Glucose Syrup and Maltose Syrup.

In the year 2005, in order to meet the increased demand of Glucose Syrup and Maltose Syrup, we had upgraded the plant output to more than double of its rated capacity to cater for the supply of raw material for this project.

As Malto Dextrin powder is part of a downstream process in the production of Glucose Syrup, the processing of Glucose Syrup after vacuum evaporation will become the raw material for spraying in the Spray Dryer and further undergo agglomeration

One Company, One Mission
Together we can grow



process for the producing of Malto Dextrin as the final product. Based on this concept, SSSFI can use existing manufacturing facilities but will require an additional investment of approximately RM5.0 million to produce an output capacity of 1,000 metric tons Malto Dextrin per month.

Dividend

The Board of Directors does not proposed any payment of dividend for the financial year ending 31 December 2005.

Acknowledgement

On behalf of the Board of Directors, I wish to extend my utmost appreciation and thanks to the management team and all staffs for their efforts, dedication and valuable contributions. I would also like to express my thanks and appreciation to all our shareholders, customers, bankers, government agencies and relevant authorities for their valuable support and confidence in us.

DATO' MOHD NOR BIN ABDUL WAHID

Executive Chairman

Corporate Governance Statement

Introduction

The Board of Directors ('Board') of Three-A Resource Berhad is pleased to disclose the application by the Group of the principles contained in the Malaysian Code on Corporate Governance ('Code') and the extent to which it has applied and complied with the best practices of the Code as required under the Listing Requirements ('LR') of the Bursa Malaysia Securities Berhad throughout the financial year.

BOARD OF DIRECTORS

Responsibility

The Board has always recognised the need for good corporate governance to build and enhance long term shareholders value. The Board has the overall responsibility for corporate governance of the Group; including its effective performance and control of the Company and the Group and monitoring on issues relating to strategy and financial matters.

The Board has delegated specific responsibilities to three (3) committees, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee, of which discharge the duties and responsibilities within their respective Terms of Reference. The actual decision is the responsibility of the Board after considering the recommendation of such a committee.

Composition

The Board currently has twelve (12) members, comprising seven (7) Non-Independent Executive Directors (including Non-Independent Executive Chairman and Managing Director), one (1) Non-Independent Non-Executive Directors, four (4) Independent Non-Executive Directors which complies with the Bursa Malaysia Securities Berhad / MESDAQ Listing Requirements that requires a minimum of two (2) or one-third (1/3) of the Board to be Independent Directors. Collectively, the Directors bring a wide range of business and financial experience to the Group.

The Executive Directors have primary responsibilities for managing the Group's day-to-day operations and together with the other Directors, to ensure that the strategies are fully discussed and examined, and take into consideration the long-term interests of the various stakeholders including shareholders, employees, customers, suppliers and the various communities in which the Group conducts its business. In addition to the role and guidance of Independent Non-Executive Directors, each Director nevertheless brings an independent judgment in the proceedings and decision-making process of the Board.

There is a balanced Board with the presence of Independent Directors who are individuals of credibility and who demonstrate objectivity and robust independence of judgment.

All decisions of the Board are based on the decision of the majority and no single Board member can make any decisions on behalf of the Board, unless duly authorised by the entire Board. The good size and balanced composition ensures that no individual or a group of individuals dominate the decision making process and enable the Board to effectively discharge its principal responsibilities as set out in the Code.

A brief profile of each of the Directors is presented on pages 3 to 5 of this Annual Report.

Board Meetings and Attendance

During the financial year ended 31 December 2005, four (4) board meetings were held. Details of attendance of each Director at the Board Meetings held under the financial year are set out as follows:

Name of Director	Total Meetings Attended	Percentage of Attendance (%)
Dato' Mohd Nor Bin Abdul Wahid	4/4	100
Fang Chew Ham	4/4	100
Foong Chiew Fatt	4/4	100
Fong Chiew Hean	4/4	100
Fong Chu King @ Tong Chu King	4/4	100
Chew Eng Chai	4/4	100
Tan Chon Sing @ Tan Kim Tieng	4/4	100
Dato' Samsudin Bin Abu Hassan	3/4	75
Fang Siew Yee	4/4	100
Liew Kuo Shin	4/4	100
Fang Siew Ping	4/4	100
Khoo Wee Boon	4/4	100

All the Directors have complied with the minimum 50% attendance at Board meetings during the financial year as stipulated by the Listing Requirements of Bursa Malaysia Securities Berhad. Scheduled Board Meetings are structured with a pre-set agenda. Board papers providing updates on operational, financial and corporate developments as well as minutes of meetings are circulated prior to the Board meetings.

Supply of Information

All Board members have full and timely access to information on the Group's businesses and affairs for the discharge of their duties and responsibilities. Scheduled Board meetings are structured with a pre-set agenda. Board papers including status report and performance report and Minutes of the meetings are circulated prior to the Board meetings to give the Directors time to consider and deliberate on the issues to be raised at the Board meetings and to enable the Directors to obtain further information and explanation, where necessary, before the meetings.

The Board papers provide, amongst others, periodical financial and corporation information, significant operational, financial and corporate issues, performance of the various products manufactured by the Group and management proposals that require Board's approval. In addition, the Directors may seek independent professional advice, at the Company's expenses, if required. Directors may also consult with the Executive Directors and other Board members prior to seeking any independent professional advice. Where necessary, senior management staff as well as advisers and professionals appointed to act for the Company on corporate proposals may be invited to attend Board meetings to furnish with the Board with their comments and advice on the relevant proposals tabled.

Training and Education of Directors

All the Directors have attended the Mandatory Accreditation Programme conducted by Research Institute of Investment Analysts Malaysia as required under the Listing Requirements of MESDAQ on training for Directors. The Directors shall continue to attend seminars relating to business developments and regulations requirement and other relevant training program.

Appointment of Directors

The appointment of any additional Director is made as and when it is deemed necessary by the existing Board with due consideration given to the mix of expertise, skills, experience and competencies required for an effective Board. The Nomination Committee is responsible for identifying and recommending to the Board suitable candidates for appointment to the Board and Board Committees.

Board Committees

The Board of Directors has delegated certain functions to several sub-committees, namely the Audit Committee, Remuneration Committee and Nomination Committee to support and assist the Board in discharging its fiduciary duties and responsibilities.

The functions, terms and reference of the respective Committees as well as the authority delegated by the Board to these Committees have been clearly defined by the Board.

a) Audit Committee

The Audit Committee comprises of two (2) Independent Non-Executive Directors and an Executive Director, of whom two-thirds (2/3) are independent.

The Audit Committee meets at least four (4) times annually and is governed by clearly defined Terms of Reference. During the financial year ended 31 December 2005, a total of four (4) Audit Committee meetings were held.

The composition of the Committee, Terms of Reference, attendance records and its activities are set out on pages 14 to 16 of the Annual Report.

Recommendations of the Committee are submitted to the Board for approval.

b) Remuneration Committee

The Group's Remuneration Committee was set up in November 2002. The Group has adopted the objectives as recommended by the Malaysian Code on Corporate Governance to determine the remuneration for Directors so as to ensure that the Group attracts and retains the right calibre of Directors with the necessary expertise and experience needed to run the Company successfully.

The Remuneration Committee during the financial year ended 31 December 2005, majority of whom are Independent Directors, comprises of the following members:

Chairman	-	Tan Chon Sing @ Tan Kim Tieng (Independent Non-Executive Director)
Members	-	Chew Eng Chai (Independent Non-Executive Director)
		Dato' Mohd Nor Bin Abdul Wahid (Non-Independent Executive Chairman)

The Remuneration Committee reviews annually the remuneration packages of the Executive Directors and furnishes recommendations to the Board on specific adjustments in remuneration and/or reward payments. These adjustments are to reflect their respective contributions for the year based on the framework of principles established by the Company. Meetings of the Remuneration Committee are held at least once a year or at such other times as the Chairman of the Remuneration Committee decides.

c) Nomination Committee

The Nomination Committee was set up in November 2002, is responsible for reviewing the Board structure, size and composition regularly and recommendation to the Board with regard to any changes that are deemed necessary. It also recommends suitable candidates for the appointment as Director of the Company and reviews the required mix of skills, experience, competence and other qualities which Non-Executive Directors should bring to the Board. The Nomination Committee meets at least once a year or at such other times as the Chairman of the Nomination Committee decides. In addition, the Nomination Committee assesses the effectiveness of the Board as a whole, Committees of the Board and the individual Directors on an annual basis.

The Nomination Committee during the financial year ended 31 December 2005, majority of whom are Independent Directors, comprises of the following members:

Chairman	-	Dato' Samsudin Bin Abu Hassan (Independent Non-Executive Director)
Members	-	Chew Eng Chai (Independent Non-Executive Director)
		Fong Chu King @ Tong Chu King (Non-Independent Executive Director)

Re-Election of Directors

In accordance with the Company's Articles of Association (Articles), at the first Annual General Meeting of the Company, all Directors shall retire from office and at the Annual General Meeting in every subsequent year, at least one-third (1/3) of the Directors for the time being shall retire from office and be eligible for re-election PROVIDED ALWAYS that all Directors except a Managing Director appointed for a fixed period pursuant to these Articles shall retire from office once at least in each three (3) years but shall be eligible for re-election.

Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

At the forthcoming Annual General Meeting, Director Mr. Fong Chiew Hean, Director Mr. Tan Chon Sing @ Tan Kim Tieng and Director Mr. Chew Eng Chai shall retire by rotation pursuant to Article 86 of the Company's Article of Association and being eligible, offer themselves for re-election. Director Mr. Foong Chiew Fatt who is over 70 years of age will retire under section 129(6) of the Companies Act 1965 and being eligible, offer himself for re-appointment.

Directors' Remuneration

The Remuneration Committee is responsible for making recommendations to the Board on the remuneration packages of executive Directors and members of Board Committees. In making recommendations to the Board, information provided by independent consultants and appropriate survey data are taken into consideration.

The Board as a whole determines the level of remuneration of Non-Executive Directors and Executive Directors. Directors' fees, if any, are approved at the Annual General Meeting by the shareholders. Directors do not participate in decisions regarding their own remuneration packages. The level of remuneration of Non-Executive Directors reflects the experiences and level of responsibilities undertaken by each Non-Executive Directors.

The details of the remuneration of the Directors who served during the financial year ended 31 December 2005 are as follows:

Aggregate Remuneration By Category	Executive Directors (RM)	Non-Executive Directors (RM)
Salaries and other emoluments	1,225,801	38,000
Bonus	121,500	-
Total	1,347,301	38,000

The number of Directors whose total remuneration fall within the respective bands are as follows:

Range of Remuneration	Number of Directors	
	Executive Directors	Non-Executive Directors
Below RM 50,000	-	5
RM 50,001 – RM 150,000	4	-
RM 150,001 – RM 300,000	2	-
RM 300,001 – RM 450,000	1	-

Audit Committee Report

Activities of the Audit Committee

During the year, the Audit Committee carried out its duties and responsibilities as set out in its terms of reference in performing its function, the Audit Committee reviewed unaudited quarterly and half-yearly results, and the annual audited financial statements of the Company and of the Group prior to their approval by the Board. It also reviewed the new accounting standards applicable in the preparation of the consolidated financial statements and the additional regulatory disclosure requirements.

The Audit Committee reviewed the related party transactions ('RPTs') entered into by the Group, and the Group's procedures for monitoring and reviewing of RPTs to satisfy itself that the procedures were sufficient to ensure that the RPTs were not more favourable to the related parties than those generally available to the public and also not detrimental to interests of minority shareholders.

The Audit Committee comprises of the following members and details of attendance of each member at the Committee meeting held for the financial year ended 31 December 2005 are as follows:

Composition of the Committee

Chew Eng Chai
Chairman, Independent Non-Executive Director
Member of the Malaysian Institute of Accountants

Tan Chon Sing @ Tan Kim Tieng
Member, Independent Non-Executive Director

Dato' Mohd Nor Bin Abdul Wahid
Member, Non-Independent Executive Chairman

Attendance at the Committee Meetings

There were four (4) Audit Committee meetings held during the financial year ended 31 December 2005. The attendance records of the Audit Committee members are as follows:

Chew Eng Chai	All four (4) meetings
Tan Chon Sing @ Tan Kim Tieng	All four (4) meetings
Dato' Mohd Nor Bin Abdul Wahid	All four (4) meetings

TERMS OF REFERENCE

Objectives

- i. Provide assistance to the Board in fulfilling its fiduciary responsibilities, particularly in the areas relating to the Company and its subsidiary company accounting and management controls, financial reporting and business ethics policies.
- ii. Provide greater emphasis on the audit function by serving as the focal point for communication between non-Committee Directors, the External Auditors and the Management and providing a forum for discussion that is independent of the management. It is to be the Board's principal agent in assuring the independence of the Company's external auditors, the integrity of the management and the adequacy of disclosure to shareholders.
- iii. Undertake such additional duties as may be appropriate and necessary to assist the Board.

Audit Committee Report (Cont'd)

Duties and Responsibilities

In fulfilling its primary objectives, the Audit Committee will need to undertake the following duties and responsibilities as summarised below:

- i. To consider the appointment of the external auditors;
- ii. To review the adequacy of the existing external audit arrangement, with particular emphasis on the nature, scope and quality of the audit and discuss the results of their examination and their evaluation of the system of internal accounting controls;
- iii. To review the quarterly interim results and annual financial statements with the management prior to them being submitted to the Board. The review shall focus on:
 - any changes in accounting policies and practices
 - major potential risk issues, if any
 - significant adjustments and issues arising from the audit
 - the going concern assumption
 - compliance with the applicable approved accounting standards
- iv. To review the external auditors' audit report on the financial statements and to discuss issues arising from the interim and final audit;
- v. To review the assistance and co-operation given by the Group, its business units and its officers to external auditors;
- vi. To review with management on a periodic basis, the company's general policies, procedures and controls especially in relation to management accounting, financial reporting, risk management and business ethics;
- vii. To review any related-party transaction and potential conflict of interest situations that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- viii. To review the external auditors' management letter and management's response.

Authority

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference, it shall have:

- i. Explicit authority to investigate any matters within its terms and reference;
- ii. The resources which are required to perform its duties;
- iii. Full access to any employee or member of the management which it requires in the course of performing its duties;
- iv. Unrestricted access to any information pertaining to the Company and its subsidiary; and
- v. Direct communication channels with both external auditors and internal auditors.

The Committee is also authorised by the Board to obtain independent professional advice or other advices and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary and reasonable for the performance of its duties at the cost of the Company.

Audit Committee Report (Cont'd)

Meeting

- i. Meetings shall be held at least four (4) times a year. Additional meetings may be called at any time at the discretion of the Chairman of the Committee.
- ii. The Chairman shall convene a meeting of the Audit Committee if requested to do so by any member, the management or the internal or external auditors to consider any matter within the scope of responsibilities of the Committee.
- iii. The Company Secretary shall be the Secretary of the Committee.
- iv. The minutes of each Committee meeting shall be tabled to the Board by the Chairman of the Committee.

Membership

- i. The Committee shall be appointed by the Board from amongst its number and shall comprise not less than three (3) members, the majority of whom are Independent Non-Executive Directors.
- ii. The Chairman of the Committee shall be an Independent Non-Executive Director appointed by the Board.
- iii. No alternate Director shall be appointed as member of the Committee.
- iv. If a member of the Committee resigns or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

Internal Audit Function

The Company does not have an Internal Audit function, but in the midst of considering the use of qualified professionals to review and assess the existing internal audit function of the Group on an ad-hoc basis.

The internal audit function if established shall be independent of the activities or operation of the Group. The Internal Auditor shall undertake the audit of the Group's operating units; reviewing the units' compliance to internal control procedures, highlighting weaknesses and making appropriate recommendations for improvement. The Internal Auditor shall report directly to the Audit Committee.

Financial Statements

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Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiary are disclosed in Note 4 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	<u>Group</u> RM	<u>Company</u> RM
Net profit/(loss) for the year	4,839,445	(204,593)

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the statements of changes in equity.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend has been declared or paid by the Company since the end of the previous financial year. The directors do not recommend any payment of final dividend in respect of the current financial year.

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up share capital from RM28,000,002 to RM35,000,003 by way of the issuance of 35,000,003 ordinary shares of RM0.20 each through a bonus issue of 1 new ordinary share for every 4 existing ordinary shares capitalised from the revaluation reserve of the Company. The new ordinary shares issued during the financial year rank pari-passu in all respects with the existing ordinary shares of the Company.

DIRECTORS

The directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Mohd Nor Bin Abdul Wahid
Fang Chew Ham
Foong Chiew Fatt
Fong Chiew Hean
Fong Chu King @ Tong Chu King
Chew Eng Chai
Tan Chon Sing @ Tan Kim Tieng
Dato' Samsudin Bin Abu Hassan
Fang Siew Yee
Fang Siew Ping
Liew Kuo Shin
Khoo Wee Boon

DIRECTORS BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 19 to the financial statements or the fixed salary of a full-time employee of the Company or its related corporation) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 24 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	Number of Ordinary Shares of RM0.20 each			At 31.12.2005
	At 1.1.2005	Bought	Sold	
Direct interest				
Fang Chew Ham	44,590,300	12,647,575	-	57,237,875
Foong Chiew Fatt	7,935,480	1,983,870	-	9,919,350
Fong Chiew Hean	7,935,480	1,983,870	-	9,919,350
Fong Chu King @ Tong Chu King	4,467,740	1,116,935	-	5,584,675
Dato' Mohd Nor Bin Abdul Wahid	4,545,000	1,136,250	-	5,681,250
Chew Eng Chai	90,000	22,500	-	112,500
Tan Chon Sing @ Tan Kim Tieng	660,000	165,000	-	825,000
Fang Siew Ping	50,000	12,500	-	62,500
Liew Kuo Shin	102,500	25,625	-	128,125

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporation during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the balance sheets and income statements of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent in respect of these financial statements; and

OTHER STATUTORY INFORMATION (CONT'D)

- (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
 - (i) 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 will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and
 - (ii) 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 the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

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

Dato' Mohd Nor Bin Abdul Wahid

Fang Chew Ham

Kuala Lumpur, Malaysia
17 April 2006

Statement by Directors

pursuant to Section 169(15) of the Companies Act, 1965

We, Dato' Mohd Nor Bin Abdul Wahid and Fang Chew Ham, being two of the directors of Three-A Resources Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 23 to 43 are drawn up in accordance with applicable MASB Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2005 and of the results and the cash flows of the Group and of the Company for the year then ended.

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

Dato' Mohd Nor Bin Abdul Wahid

Fang Chew Ham

Kuala Lumpur, Malaysia

Statutory Declaration

pursuant to Section 169(16) of the Companies Act, 1965

I, Fang Chew Ham, being the director primarily responsible for the financial management of Three-A Resources Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 23 to 43 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.

Subscribed and solemnly declared by
the abovenamed Fang Chew Ham
at Kuala Lumpur in the Federal
Territory on 17 April 2006

Fang Chew Ham

Before me,

Report of the Auditors

to the members of Three-A Resources Berhad

We have audited the accompanying financial statements set out on pages 23 to 43. 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 the 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 to any other person for the content of this report.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 31 December 2005 and of the results and the cash flows of the Group and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiary have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary 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 required by us for those purposes.

The auditors' report on the financial statements of the subsidiary was not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Ernst & Young
AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia
17 April 2006

See Huey Beng
No. 1495/03/07(J)
Partner

Balance Sheets

as at 31 December 2005

	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
NON-CURRENT ASSETS					
Property, plant and equipment	3	47,273,657	43,460,763	3,271	3,739
Investment in a subsidiary	4	-	-	33,897,326	33,897,326
Due from a subsidiary	5	-	-	8,070,307	8,284,439
Negative goodwill	6	(4,553,656)	(4,553,656)	-	-
		42,720,001	38,907,107	41,970,904	42,185,504
CURRENT ASSETS					
Inventories	7	14,734,562	7,528,371	-	-
Trade receivables	8	21,433,490	16,577,215	-	-
Other receivables	9	627,211	328,461	1,160	1,160
Tax recoverable		333,890	152,778	-	-
Cash and bank balances		1,338,433	477,846	472	582
		38,467,586	25,064,671	1,632	1,742
CURRENT LIABILITIES					
Short term borrowings	10	25,462,319	18,620,683	-	-
Trade payables	12	2,922,275	1,510,279	-	-
Other payables	13	2,105,310	2,115,118	77,173	26,298
		30,489,904	22,246,080	77,173	26,298
NET CURRENT ASSETS/ (LIABILITIES)					
		7,977,682	2,818,591	(75,541)	(24,556)
		50,697,683	41,725,698	41,895,363	42,160,948
FINANCED BY:					
SHARE CAPITAL AND RESERVES					
Share capital	14	35,000,003	28,000,002	35,000,003	28,000,002
Share premium	15	733,629	794,621	733,629	794,621
Revaluation reserve	16	-	-	6,797,325	13,797,326
Retained profits/(Accumulated losses)		6,652,113	8,812,669	(635,594)	(431,001)
Shareholders' equity		42,385,745	37,607,292	41,895,363	42,160,948
NON-CURRENT LIABILITIES					
Long term borrowings	10	4,938,298	1,184,761	-	-
Deferred tax liabilities	17	3,373,640	2,933,645	-	-
		8,311,938	4,118,406	-	-
		50,697,683	41,725,698	41,895,363	42,160,948

The accompanying notes form an integral part of the financial statements.

Income Statements

for the year ended 31 December 2005

	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
Revenue	18	70,785,504	60,594,712	-	-
Cost of sales		(54,737,400)	(44,866,276)	-	-
Gross profit		16,048,104	15,728,436	-	-
Other operating income		32,892	57,978	-	-
Administrative expenses		(5,720,233)	(5,538,423)	(204,593)	(209,035)
Other operating expenses		(3,513,006)	(3,040,711)	-	-
Profit/(Loss) from operations	19	6,847,757	7,207,280	(204,593)	(209,035)
Finance costs	21	(1,274,691)	(940,327)	-	-
Profit/(Loss) before taxation		5,573,066	6,266,953	(204,593)	(209,035)
Taxation	22	(733,621)	(1,822,000)	-	-
Net profit/(loss) for the year		4,839,445	4,444,953	(204,593)	(209,035)
Basic earnings per share (sen)	23	3.1	3.2		

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity

for the year ended 31 December 2005

	Share capital RM	Share premium ⁽¹⁾ RM	Retained profits ⁽²⁾ RM	Total RM
Group				
At 1 January 2004	28,000,002	794,621	4,367,716	33,162,339
Net profit for the year	-	-	4,444,953	4,444,953
At 31 December 2004	28,000,002	794,621	8,812,669	37,607,292
Net profit for the year	-	-	4,839,445	4,839,445
Expenses related to bonus issue	-	(60,992)	-	(60,992)
Capitalisation of retained profits for bonus issue	7,000,001	-	(7,000,001)	-
At 31 December 2005	35,000,003	733,629	6,652,113	42,385,745

	Note	Share capital RM	Share premium ⁽¹⁾ RM	Revaluation reserve ⁽¹⁾ RM	Accumulated losses RM	Total RM
Company						
At 1 January 2004		28,000,002	794,621	-	(221,966)	28,572,657
Net loss for the year		-	-	-	(209,035)	(209,035)
Surplus arising from revaluation of investment in a subsidiary	4	-	-	13,797,326	-	13,797,326
At 31 December 2004		28,000,002	794,621	13,797,326	(431,001)	42,160,948
Net loss for the year		-	-	-	(204,593)	(204,593)
Expenses related to bonus issue		-	(60,992)	-	-	(60,992)
Capitalisation of revaluation reserve for bonus issue	14	7,000,001	-	(7,000,001)	-	-
At 31 December 2005		35,000,003	733,629	6,797,325	(635,594)	41,895,363

Note

⁽¹⁾ Non-distributable

⁽²⁾ Distributable

The accompanying notes form an integral part of the financial statements.

Cash Flow Statements

for the year ended 31 December 2005

	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before taxation		5,573,066	6,266,953	(204,593)	(209,035)
Adjustments for:					
Depreciation of property, plant and equipment		2,297,964	2,060,657	468	468
Provision for doubtful debts		18,750	300,000	-	-
Doubtful debts recovered		(30,696)	(78,495)	-	-
Bad debts written off		2,084	22,453	-	-
Unrealised foreign exchange gains		(49,859)	(11,315)	-	-
Interest expense		1,014,218	728,039	-	-
Plant and machinery written off		-	170,867	-	-
Operating profit/(loss) before working capital changes		8,825,527	9,459,159	(204,125)	(208,567)
Working capital changes:					
Inventories		(7,206,191)	(3,866,314)	-	-
Receivables		(5,095,304)	(4,719,895)	-	-
Payables		1,402,188	(748,093)	50,875	(450)
Subsidiary		-	-	214,132	208,174
Cash (used in)/generated from operations		(2,073,780)	124,857	60,882	(843)
Interest paid		(1,014,218)	(728,039)	-	-
Income tax paid		(474,738)	(408,331)	-	-
Net cash (used in)/generated from operating activities		(3,562,736)	(1,011,513)	60,882	(843)
CASH FLOWS FROM INVESTING ACTIVITY					
Purchase of property, plant and equipment, representing net cash used in investing activity		(6,110,858)	(6,038,187)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown/(Repayment) of bankers acceptances		19,235,491	(3,730,953)	-	-
Drawdown/(Repayment) of term loans		4,308,108	(197,462)	-	-
(Repayment)/Drawdown of currency trade financing		(11,500,398)	11,500,398	-	-
(Repayment)/Drawdown of revolving credit		(1,000,000)	1,000,000	-	-
Repayment of hire purchase financing		(55,000)	(60,000)	-	-
Payment of expenses arising from bonus issue		(60,992)	-	(60,992)	-
Net cash generated from/ (used in) financing activities		10,927,209	8,511,983	(60,992)	-

Cash Flow Statements (Cont'd)

CASH FLOWS FROM FINANCING ACTIVITIES (CONT'D)

	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,253,615	1,462,283	(110)	(843)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		44,128	(1,418,155)	582	1,425
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	(a)	1,297,743	44,128	472	582

NOTES TO THE CASH FLOW STATEMENTS

(a) Cash and cash equivalents comprise the following balance sheet amounts:

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Cash and bank balances	1,338,433	477,846	472	582
Bank overdrafts (Note 10)	(40,690)	(433,718)	-	-
	1,297,743	44,128	472	582

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

31 December 2005

1. CORPORATE INFORMATION

The principal activity of the Company is investment holding. The principal activities of the subsidiary are disclosed in Note 4. There have been no significant changes in the nature of the principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Malaysian Exchange of Securities Dealing & Automated Quotation (MESDAQ) Market of Bursa Malaysia Securities Berhad. The registered office and the principal place of business of the Company and of the Group is located at AL 308, Lot 590 & Lot 4196, Jalan Industri, U19, Kampung Baru Seri Sungai Buloh, 47000 Selangor Darul Ehsan.

The Company has no employee as at the end of the financial year (2004: Nil) as it is managed by employees of the subsidiary. The subsidiary employed 96 (2004: 101) employees as at the end of the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 17 April 2006.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention except for the revaluation of investment in a subsidiary and comply with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary. A subsidiary is a company in which the Company has a long term equity interest and where it retains the power to exercise control over the financial and operating policies of the subsidiary so as to obtain benefits therefrom.

The subsidiary is consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiary acquired or disposed of during the year is included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet. The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or negative goodwill arising on consolidation.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary is the difference between the net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences which were not previously recognised in the consolidated income statement.

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree.

(c) Investment in a Subsidiary

Investment in subsidiary is stated at valuation less impairment losses. During the previous financial year, the Company revalued its investment in the subsidiary based on the net tangible assets of the said subsidiary.

Valuation is performed at regular intervals of at least once in every 5 years with additional valuations in the intervening years where conditions indicate that the carrying values of the revalued investment differs materially from the underlying net tangible asset values of the subsidiary.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Investment in a Subsidiary (Cont'd)

Surplus arising on revaluation is credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of the previous surplus held in the revaluation reserve for the subsidiary. In all other cases, a decrease in carrying amount is charged to income statement.

Upon the disposal of such investment, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement and the unutilised portion of the related revaluation surplus is taken directly to retained profits.

(d) Property, Plant and Equipment and Depreciation

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

Long leasehold land with unexpired lease periods of more than 50 years are not amortised as the resulting depreciation charge and accumulated depreciation are not significant. Short leasehold land with unexpired lease periods of less than 50 years are amortised over the remaining period of the lease. Depreciation on capital work-in-progress will only commence when the assets constructed are ready for use.

Depreciation of other property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:

Factory and office buildings	2%
Plant and machinery	5%
Tools and implements	10%
Furniture and fittings and equipment	10%
Renovations and electrical installations	10%
Motor vehicles	10%

Upon the disposal of an asset, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement.

(e) Finance Lease

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All other leases are classified as operating leases.

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2(d).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Inventories

Inventories are stated at the lower of cost (determined on the first-in, first-out basis) and net realisable value. Cost of finished goods and work-in-progress includes direct materials, direct labour, other direct costs and appropriate production overheads. Net realisable value represents the estimated selling price less estimated costs to completion and estimated costs necessary to complete the sale.

(g) Provisions for Liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(h) Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

(i) Goodwill

Negative goodwill represents the excess of the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition over the cost of acquisition.

Negative goodwill is stated at cost and is not amortised.

(j) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Income Tax (Cont'd)

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(k) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Sale of goods

Revenue relating to sale of goods is recognised net of returns and discounts upon acceptance by customers.

(ii) Interest income

Interest is recognised on a time proportion basis that reflects the effective yield on the asset.

(l) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(m) Foreign Currencies

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of the transaction. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date, unless hedged by forward foreign contracts, in which case the rates specified in such contracts are used. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined. All exchange rate differences are recognised in the income statement.

The principal exchange rates used for every unit of foreign currency ruling at the balance sheet date are as follows:

	2005 RM	2004 RM
United States Dollar	3.78	3.80
Singapore Dollar	2.27	2.17

(n) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Impairment of Assets (Cont'd)

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset.

(o) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, and gains and losses relating to a financial instrument classified as a liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(ii) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iii) Interest-bearing borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

All borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

(iv) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Long leasehold land RM	Short leasehold land RM	Factory and office buildings RM	Plant and machinery, tools and implements RM	Furniture and fittings and equipment RM	Renovations and electrical installations RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
Cost									
At 1 January 2005	5,279,432	500,000	12,767,673	26,375,287	1,771,998	946,515	1,628,264	5,005,327	54,274,496
Additions	1,180,000	-	1,288,523	1,990,673	33,959	96,345	-	1,521,358	6,110,858
Reclassification	-	-	3,014,456	991,395	-	-	-	(4,005,851)	-
At 31 December 2005	6,459,432	500,000	17,070,652	29,357,355	1,805,957	1,042,860	1,628,264	2,520,834	60,385,354
Accumulated Depreciation									
At 1 January 2005	302,703	82,001	1,283,264	7,332,746	540,380	474,984	797,655	-	10,813,733
Charge for the year	-	10,667	338,023	1,510,459	182,167	106,996	149,652	-	2,297,964
At 31 December 2005	302,703	92,668	1,621,287	8,843,205	722,547	581,980	947,307	-	13,111,697
Net Book Value									
At 31 December 2005	6,156,729	407,332	15,449,365	20,514,150	1,083,410	460,880	680,957	2,520,834	47,273,657
At 31 December 2004	4,976,729	417,999	11,484,409	19,042,541	1,231,618	471,531	830,609	5,005,327	43,460,763
Details at 1 January 2004									
Cost	5,279,432	500,000	11,631,155	25,083,690	1,664,033	930,050	1,377,484	1,944,044	48,409,888
Accumulated depreciation	302,703	71,334	1,029,667	5,989,709	366,197	372,270	623,908	-	8,755,788
Depreciation charge for 2004									
	-	10,667	256,069	1,343,277	174,183	102,714	173,747	-	2,060,657

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Furniture and fittings	
	2005	2004
	RM	RM
Cost		
At 1 January/31 December	4,675	4,675
Accumulated Depreciation		
At 1 January	936	468
Charge for the year	468	468
At 31 December	1,404	936
Net Book Value		
At 31 December	3,271	3,739

- (a) All property, plant and equipment are charged as securities for borrowings facilities (Note 10) obtained by the subsidiary.
- (b) Included in property, plant and equipment of the Group as at balance sheet date were motor vehicles held under hire purchase with an aggregate net book value of RM209,316.

4. INVESTMENT IN A SUBSIDIARY

	Company	
	2005	2004
	RM	RM
Unquoted investment - at valuation	33,897,326	33,897,326

Details of the subsidiary are as follows:

Name of Subsidiary	Country of incorporation	Equity interest held		Principal activities
		2005	2004	
San Soon Seng Food Industries Sdn. Bhd.	Malaysia	100%	100%	Manufacturing and selling of food and beverage ingredients

During the previous financial year, the Company revalued its investment in the subsidiary based on the net tangible assets of the said subsidiary. The directors consider that the change of basis of measurement from cost to revaluation gives a fairer presentation of the financial position of the Company.

5. DUE FROM A SUBSIDIARY

The amount due from a subsidiary is interest-free, unsecured and is not repayable within the foreseeable future.

6. NEGATIVE GOODWILL

	Group	
	2005	2004
	RM	RM
At 1 January/December	4,553,656	4,553,656

7. INVENTORIES

	Group	
	2005 RM	2004 RM
At cost:		
Finished goods	2,453,594	1,699,035
Raw materials	11,865,073	5,367,181
Packing materials	415,895	462,155
	14,734,562	7,528,371

The cost of inventories recognised as an expense during the financial year amounted to RM49,437,132 (2004: RM44,324,306).

8. TRADE RECEIVABLES

	Group	
	2005 RM	2004 RM
Trade receivables	22,228,508	17,384,179
Less: Provision for doubtful debts	(795,018)	(806,964)
	21,433,490	16,577,215

Included in trade receivables is an amount of RM136,522 (2004: RM166,952) due from Seong Chan Sauce & Foodstuff Sdn. Bhd., a company in which certain directors have financial interests.

The Group's normal trade credit term ranges from 30 to 150 days (2004: 30 to 150 days). Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

9. OTHER RECEIVABLES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Sundry receivables, deposits and prepayments	807,211	508,461	1,160	1,160
Less: Provision for doubtful debts	(180,000)	(180,000)	-	-
	627,211	328,461	1,160	1,160

10. BORROWINGS

	Group	
	2005 RM	2004 RM
Short Term Borrowings		
Secured:		
Bank overdrafts	40,690	433,718
Bankers acceptances	24,449,281	5,213,790
Term loans	972,348	417,777
Revolving credits	-	1,000,000
Foreign currency trade financing	-	11,500,398
Hire purchase payables (Note 11)	-	55,000
	25,462,319	18,620,683

10. BORROWINGS (CONT'D)

	Group	
	2005	2004
	RM	RM
Long Term Borrowings		
Secured:		
Term loans	4,938,298	1,184,761
Total Borrowings		
Bank overdrafts	40,690	433,718
Bankers acceptances	24,449,281	5,213,790
Term loans	5,910,646	1,602,538
Revolving credits	-	1,000,000
Foreign currency trade financing	-	11,500,398
Hire purchase payables (Note 11)	-	55,000
	30,400,617	19,805,444
Maturity of borrowings (excluding hire purchase payables)		
Within one year	25,462,319	18,565,683
More than 1 year and less than 2 years	1,042,663	450,210
More than 2 years but less than 5 years	3,895,635	734,551
	30,400,617	19,750,444

The interest rates per annum at the balance sheet date for borrowings, excluding hire purchase payables, were as follows:

	Group	
	2005	2004
	%	%
Bank overdrafts	7.50 - 7.75	7.50
Bankers acceptances	3.50 - 4.70	3.93 - 5.50
Term loans	7.50 - 8.00	7.50
Foreign currency trade financing	3.80 - 4.75	3.15 - 3.55
Revolving credit	5.75	5.75

The bank borrowings are secured by:

- fixed charges over the leasehold land and factory and office buildings of the subsidiary (Note 3);
- debentures incorporating fixed and floating charges over all assets and undertakings of the subsidiary, both present and future;
- a corporate guarantee by the Company.

11. HIRE PURCHASE PAYABLES

	Group	
	2005	2004
	RM	RM
Minimum lease payments:		
Not later than 1 year	-	68,750
Less: Future finance charges	-	(13,750)
Present value of finance lease liabilities	-	55,000
Present value of finance lease liabilities:		
Not later than 1 year	-	55,000
Analysed as:		
Due within 12 months (Note 10)	-	55,000

The hire purchase payables bore interest at 9.15% (2004: 9.15%) per annum.

12. TRADE PAYABLES

The normal trade credit term granted to the Group ranges from 30 to 60 days (2004: 30 to 60 days).

13. OTHER PAYABLES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Accruals	2,097,462	1,350,406	69,325	13,050
Sundry payables	7,848	764,712	7,848	13,248
	2,105,310	2,115,118	77,173	26,298

14. SHARE CAPITAL

	2005	2004	2005	2004
	Number of Shares	Number of Shares	RM	RM
Authorised: Ordinary shares of RM0.20 each	250,000,000	250,000,000	50,000,000	50,000,000
Issued and fully paid: Ordinary shares of RM0.20 each				
At 1 January	140,000,010	140,000,010	28,000,002	28,000,002
Issued during the financial year	35,000,003	-	7,000,001	-
At 31 December	175,000,013	140,000,010	35,000,003	28,000,002

During the financial year, the Company increased its issued and paid-up share capital from RM28,000,002 to RM35,000,003 by way of the issuance of 35,000,003 ordinary shares of RM0.20 each through a bonus issue of 1 new ordinary share for every 4 existing ordinary shares capitalised from the revaluation reserve of the Company. The new ordinary shares issued during the financial year rank pari-passu in all respects with the existing ordinary shares of the Company.

15. SHARE PREMIUM

The share premium may be applied only for the purposes as specified in the Companies Act, 1965. The balance is not available for distribution of dividends except for in the form of shares.

16. REVALUATION RESERVE

	Company	
	2005 RM	2004 RM
At 1 January	13,797,326	-
Arising from revaluation of the investment in a subsidiary	-	13,797,326
Capitalisation of revaluation reserve for bonus issue	(7,000,001)	-
At 31 December	6,797,325	13,797,326

17. DEFERRED TAX

	Group	
	2005	2004
	RM	RM
At 1 January	2,933,645	1,553,652
Recognised in the income statement (Note 22)	439,995	1,379,993
At 31 December	3,373,640	2,933,645
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	4,753,782	3,986,765
Deferred tax assets	(1,380,142)	(1,053,120)
	3,373,640	2,933,645

The components and movements of the Group's deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred Tax Liabilities

	Accelerated Capital Allowances	Others	Total
	RM	RM	RM
At 1 January 2004	3,550,763	(88,412)	3,462,351
Recognised in the income statement	608,080	(83,666)	524,414
At 1 January 2005	4,158,843	(172,078)	3,986,765
Recognised in the income statement	767,017	-	767,017
At 31 December 2005	4,925,860	(172,078)	4,753,782

Deferred Tax Assets

	Unutilised Reinvestment Allowances
	RM
At 1 January 2004	(1,908,699)
Recognised in the income statement	855,579
At 1 January 2005	(1,053,120)
Recognised in the income statement	(327,022)
At 31 December 2005	(1,380,142)

18. REVENUE

Revenue represents the invoiced value of goods sold less sales tax, goods returned and trade discounts.

19. PROFIT/(LOSS) FROM OPERATIONS

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Profit/(loss) from operations is stated after charging/(crediting):				
Staff costs - excluding directors' remuneration (Note 20)	5,750,169	4,033,496	-	-
Depreciation of property, plant and equipment	2,297,964	2,060,657	468	468
Directors' remuneration				
- salaries and other emoluments	1,390,302	1,078,263	73,000	64,000
Provision for doubtful debts	18,750	300,000	-	-
Plant and machinery written off	-	170,867	-	-
Auditors' remuneration	38,000	38,000	10,000	10,000
Rent of premises	24,000	28,178	-	-
Bad debts written off	2,084	22,453	-	-
Doubtful debts recovered	(30,696)	(78,495)	-	-
Realised exchange loss/(gain)	47,664	(57,978)	-	-
Unrealised foreign exchange gain	(49,859)	(11,315)	-	-
Analysis of Directors' remuneration:				
Directors of the Company				
Executive:				
Salaries and other emoluments	1,235,802	937,163	45,000	25,000
Bonus	121,500	102,100	-	-
	1,357,302	1,039,263	45,000	25,000
Non-executive:				
Salaries and other emoluments	28,000	39,000	28,000	39,000
Director of subsidiary				
Non-executive:				
Other emoluments	5,000	-	-	-
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration	1,357,302	1,039,263	45,000	25,000
Total non-executive directors' remuneration	33,000	39,000	28,000	39,000
Total directors' remuneration	1,390,302	1,078,263	73,000	64,000

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2005	2004
Executive directors:		
Below RM50,000	2	2
RM50,001 - RM100,000	2	3
RM100,001 - RM150,000	2	1
RM150,001 - RM200,000	-	1
RM200,001 - RM250,000	2	1
RM400,001 - RM450,000	-	1
RM450,001 - RM500,000	1	-
Non-executive directors:		
Below RM50,000	3	3

20. STAFF COSTS

	Group	
	2005 RM	2004 RM
Wages and salaries	5,239,386	3,578,455
Social security costs	33,454	29,485
Pension costs - defined contribution plans	410,339	335,923
Other staff related expenses	66,990	89,633
	5,750,169	4,033,496

21. FINANCE COSTS

	Group	
	2005 RM	2004 RM
Interest expense on:		
Term loans	369,114	133,664
Other bank borrowings	631,354	579,375
Hire purchase financing	13,750	15,000
	1,014,218	728,039
Bank charges	260,473	212,288
	1,274,691	940,327

22. TAXATION

	Group	
	2005 RM	2004 RM
Malaysian income tax:		
Tax expense for the year	293,626	442,007
Deferred tax:		
Relating to origination and reversal of temporary differences (Note 17)	439,995	1,379,993
	733,621	1,822,000

Domestic income tax is calculated at the Malaysian statutory tax rate of 28% (2004: 28%) of the estimated assessable profit for the year. A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Profit/(Loss) before taxation	5,573,066	6,266,953	(204,593)	(209,035)
Taxation at Malaysian statutory tax rate of 28% (2004: 28%)	1,560,458	1,754,747	(57,286)	(58,530)
Expenses not deductible for tax purposes	185,313	226,610	57,286	58,530
Utilisation of current year's reinvestment allowance	(1,012,150)	(159,357)	-	-
Tax expense for the year	733,621	1,822,000	-	-

22. TAXATION (CONT'D)

Unutilised reinvestment allowance is analysed as follows:

	Group	
	2005 RM	2004 RM
Unutilised reinvestment allowance carried forward	4,929,000	3,761,000

23. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit for the year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2005	2004
Net profit for the year (RM)	4,839,445	4,444,953
Weighted average number of ordinary shares in issue	156,301,381	140,000,010
Basic earnings per share (sen)	3.1	3.2

24. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Sales to Seong Chan Sauce & Foodstuff Sdn. Bhd.	(580,035)	(562,130)	-	-
Rent payable to Excellent Chemical Industrial Sdn. Bhd.	24,000	28,178	-	-

Seong Chan Sauce & Foodstuff Sdn. Bhd. and Excellent Chemical Industrial Sdn. Bhd. are companies in which Fang Chew Ham, Foong Chiew Fatt, Fong Chiew Hean and Fong Chu King @ Tong Chu King have financial interests.

The directors are of the opinion that the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from unrelated parties.

25. COMMITMENTS

	Group	
	2005 RM	2004 RM
Capital expenditure: Approved and contracted for	2,017,000	3,034,000

26. CONTINGENT LIABILITIES - UNSECURED

	Company	
	2005 RM	2004 RM
Guarantees to licensed financial institutions in respect of credit facilities granted to a subsidiary company	58,456,000	32,320,000

27. FINANCIAL INSTRUMENTS**(a) Financial Risk Management Objectives and Policies**

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. The Group operates within clearly defined guidelines that are approved by the Board of Directors and the Group's policy is not to engage in speculative transactions.

(b) Interest Rate Risk

The Group's exposure to market risk for changes in the interest rate environment principally relates to its debts obligations. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings. The Group ensures that it obtains borrowings at favourable interest rates.

Information relating to the Group's interest rates is disclosed in the Notes 10 and 11.

(c) Foreign Exchange Risk

The Group is exposed to the effects of foreign currency exchange rate fluctuations, primarily in relation to the United States and Singapore dollars.

The Group's policy is to manage all of its foreign financial assets and liabilities using the best available foreign currency exchange rates. Transactional exposures in currencies other than the entity's functional currency are kept at a minimal level.

The net unhedged financial assets of the Group that are not denominated in their functional currency are as follows:

Functional currency of the Group is Ringgit Malaysia	Singapore Dollar RM
At 31 December 2005	
Receivables	818,590
At 31 December 2004	
Receivables	835,080

(c) Foreign Exchange Risk (Cont'd)

During the financial year, the Group had entered into forward foreign exchange contracts with the following notional amounts and with maturity dates within one year:

	Currency	Total Notional Amount RM
At 31 December 2005		
Forwards used to hedge trade receivables	United States Dollar	3,479,065
At 31 December 2004		
Forwards used to hedge trade receivables	United States Dollar	2,253,572
Forwards used to hedge anticipated sales	United States Dollar	4,153,539

27. FINANCIAL INSTRUMENTS (CONT'D)

(d) Liquidity Risk

The Group actively manages its cash and cash equivalents, operating cash flows and the availability of funding so as to ensure that there is adequate working capital and that repayment and funding needs are met.

(e) Credit Risk

Credit risk is the risk that counter parties will be unable to meet their obligations resulting in financial loss to the Group.

It is the Group's policy to enter into transactions with a diversity of credit-worthy parties to mitigate any significant concentration of credit risk. The Group ensures that the goods sold are to customers with appropriate credit history and has internal mechanisms to monitor the granting of credit and management of credit exposures. The trade receivables represent the Group's maximum exposure to credit risk in the event the counter parties fail to perform their obligations. There was no significant concentration of credit risk to the Group as at year end.

(f) Fair Values

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values except for the following:

	Carrying Amount	Group Fair Value
	RM	RM
At 31 December 2005		
Long term borrowings - term loans	4,938,298	1,604,000
At 31 December 2004		
Long term borrowings - term loans	1,184,761	465,830

The fair value of long term borrowings is estimated by discounting the expected future cash flows using the current interest rate for liabilities with similar risk profiles.

It is not practical to estimate the fair value of amount due from a subsidiary due principally to a lack of fixed repayment term entered by the parties involved and without incurring excessive costs. However, the Company does not anticipate the carrying amount recorded at the balance sheet date to be significantly different from the value that would eventually be received or settled.

28. SEGMENT INFORMATION

No segmental reporting is presented as the Group's activities are predominantly in one industry segment and occur predominantly in Malaysia.

Summary of Landed Properties

Location	Existing Use	Age of Factory / Building	Build Up Area (Sq Feet)	Land Area (Sq Feet)	Tenure	Cost (RM'000)	NBV as at 31.12.2005 (RM'000)
No. H.S. (D) 190145 No. P.T. 6418 Lot 590, Jalan Middle Kg Baru Seri Sg Buloh 47000 Selangor D.E.	Factory, Office, Warehouse	29 years	33,907	35,113	Leasehold Industrial Land of 99 yrs (unexpired lease period of 96 yrs)	3,749	2,898
No. H.S. (D) 190154 & 190150 No. P.T. 6416 & 6417 Lot 585 & 586, Jalan Middle Kg Baru Seri Sg Buloh 47000 Selangor D.E.	Factory, Warehouse	1 year	48,100	92,208	Leasehold Industrial Land of 99 yrs (unexpired lease period of 96 yrs)	7,414	7,151
No. H.S. (M) 3999 No. P.T. Lot 584 Jalan Middle Kg Baru Seri Sg Buloh 47000 Selangor D.E.	Vacant	-	-	46,005	Leasehold Industrial Land of 60 yrs (unexpired lease period of 35 yrs)	1,363	1,363
No. H.S. (M) 4098 No. P.T. 2317 Jalan Middle Kg Baru Seri Sg Buloh 47000 Selangor D.E.	Warehouse	7 years	6,942	8,167	Leasehold Agriculture Land of 60 yrs (unexpired lease period of 36 yrs)	570	506
No. H.S. (M) 4651 No. P.T. 5938 Jalan Union Kg Baru Seri Sg Buloh 47000 Selangor D.E.	Warehouse	7 years	5,785	6,806	Leasehold Agriculture Land of 60 yrs (unexpired lease period of 40 yrs)	867	767
No. H.M. 472 Lot 4196, Jalan Union Kg Baru Seri Sg Buloh 47000 Selangor D.E.	Factory, Office, Warehouse	10 years	46,877	110,976	Leasehold Industrial Land of 99 yrs (unexpired lease period of 64 yrs)	9,797	9,131
TOTAL						23,760	21,816

Additional Compliance Information

The following information is provided in compliance with the Listing Requirement of the Bursa Malaysia Securities Berhad for Mesdaq Market.

1. MATERIAL CONTRACTS

During the financial year, there was no material contracts entered into by the Company or its subsidiary involving interest of Directors and substantial shareholders of the Company that have not been reflected in the financial statements.

2. NON-AUDIT FEES

There is no non-audit fees paid/payable to external auditors and its affiliates for the financial year ended 31 December 2005.

3. REVALUATION POLICY ON LANDED PROPERTIES

The landed properties are carried at cost as indicated in the financial statement for the year ended 31 December 2005.

4. SHARE BUY-BACKS

There was no share buy-back scheme implemented during the financial year ended 31 December 2005.

5. SANCTIONS AND/OR PENALTIES IMPOSED

There was no public sanctions and/or penalties imposed on the Company and its subsidiary, directors or management by any other relevant authorities.

6. DEPOSITORY RECEIPT PROGRAMME

The Company has not sponsored any DR programme.

7. PROFIT GUARANTEES

The Company did not give any profit guarantees during the financial year.

8. UTILISATION OF PROCEEDS

No proceeds were raised by the Company for any corporate exercise during the financial year.

9. OPTIONS, WARRANTS & CONVERTIBLE SECURITIES

There was no exercise of options, warrants or convertible securities during the financial year ended 31 December 2005.

10. PROFIT ESTIMATE, FORECAST OR PROJECTION

There was no material variance between the results for the financial year and unaudited results previously announced. The Company did not make any release on the profit estimate, forecast or projection for the financial year.

Analysis of Shareholdings

Authorised Share Capital : RM50,000,000 divided into 250,000,000 Ordinary Shares of RM0.20 per share
 Issued and Fully Paid-Up Capital : RM35,000,002 divided into 175,000,012 Ordinary Shares of RM0.20 per share
 Class of Shares : Ordinary Share
 Voting Rights : One voting right for one Ordinary Share

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 28 APRIL 2006

Size of Holdings	No. of Shareholders	%	No. Of Shares	% of Issued Capital
1 - 99	46	2.34	2,154	0.00
100 - 999	81	4.12	28,833	0.02
1,000 - 4,999	378	19.22	836,875	0.48
5,000 - 10,000	508	25.83	3,539,675	2.02
10,001 - 100,000	818	41.59	23,286,350	13.31
100,001 - 1,000,000	117	5.95	28,078,800	16.05
Above 1,000,000	19	0.97	119,227,325	68.13
Total	1,967	100.00	175,000,012	100.00

LIST OF TOP 30 LARGEST SHAREHOLDERS AS AT 28 APRIL 2006

No.	Name	No. of Shares Held	% of Issued Capital
1.	Fang Chew Ham	55,737,875	31.85
2.	Fong Chiew Hean	9,919,350	5.67
3.	Foong Chiew Fatt	9,919,350	5.67
4.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Siew Lai	8,339,375	4.77
5.	Teo Kwee Hock	7,760,425	4.43
6.	Fong Chu King @ Tong Chu King	5,584,675	3.19
7.	Mohd Nor Bin Abdul Wahid	3,150,000	1.80
8.	OSK Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohd Nor Bin Abdul Wahid	2,531,250	1.45
9.	Kong Chee Choong	2,125,000	1.21
10.	Koh Koo Kee @ Koh Ah Fook	1,875,000	1.07
11.	Kuah Seow Peng	1,713,750	0.98
12.	Lam Kok Kee	1,562,500	0.89
13.	Fang Chew Ham	1,500,000	0.86
14.	Liaw Pek Swee	1,475,000	0.84
15.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Susy Ding (CEB)	1,453,000	0.83
16.	Siti Hapzah Binti Ali	1,250,000	0.71
17.	Tan Cheng Chai	1,167,275	0.67
18.	Kuala Lumpur City Nominees (Tempatan) Sdn Bhd KLCS Asset Management Sdn Bhd for Quek Jin Ang	1,101,000	0.63
19.	Lee Chin Bee	1,062,500	0.61
20.	Hee Kiam Min	975,000	0.56
21.	Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad for Hidden Treasures Fund	962,000	0.55
22.	Lee Chin Yoke	875,000	0.50
23.	Tan Chon Sing @ Tan Kim Tieng	825,000	0.47
24.	Chin Hon Kee	820,000	0.47

Analysis of Shareholdings (Cont'd)

LIST OF TOP 30 LARGEST SHAREHOLDERS AS AT 28 APRIL 2006 (CONT'D)

No.	Name	No. of Shares Held	% of Issued Capital
25.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Lai Kiew	786,800	0.45
26.	Quek Jin Ang	767,500	0.44
27.	Fong Peng Man	750,000	0.43
28.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Loh Chee Hung	710,000	0.41
29.	Ng Swan	687,500	0.39
30.	Tan Poh Heoh	687,500	0.39
Total		128,073,625	73.19

DIRECTORS' SHAREHOLDINGS AS AT 28 APRIL 2006

No.	Name	DIRECT		INDIRECT	
		No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
1.	Fang Chew Ham	57,237,875	32.71	25,485,875 ¹	14.56
2.	Foong Chiew Fatt	9,919,350	5.67	72,741,900 ²	41.57
3.	Fong Chiew Hean	9,919,350	5.67	72,741,900 ³	41.57
4.	Fong Chu King @ Tong Chu King	5,584,675	3.19	77,076,575 ⁴	44.05
5.	Dato' Mohd Nor Bin Abdul Wahid	5,681,250	3.25	-	-
6.	Tan Chon Sing @ Tan Kim Tieng	825,000	0.47	-	-
7.	Liew Kuo Shin	128,125	0.07	-	-
8.	Chew Eng Chai	112,500	0.06	-	-
9.	Fang Siew Ping	62,500	0.03	57,237,875 ⁵	32.71
10.	Fang Siew Yee	-	-	57,428,500 ⁶	32.81
11.	Dato' Samsudin Bin Abu Hassan	-	-	-	-
12.	Khoo Wee Boon	-	-	-	-

Note :

1. Indirect interest via shareholdings of his siblings, Foong Chiew Fatt, Fong Chiew Hean, Fong Chu King @ Tong Chu King and daughter Fang Siew Ping
2. Indirect interest via shareholdings of his siblings, Fang Chew Ham, Fong Chiew Hean and Fong Chu King @ Tong Chu King
3. Indirect interest via shareholdings of his siblings, Fang Chew Ham, Foong Chiew Fatt and Fong Chu King @ Tong Chu King
4. Indirect interest via shareholdings of his siblings, Fang Chew Ham, Foong Chiew Fatt and Fong Chiew Hean
5. Indirect interest via shareholdings of her father Fang Chew Ham
6. Indirect interest via shareholdings of her father Fang Chew Ham, her spouse Liew Kuo Shin and her sister Fang Siew Ping

SUBSTANTIAL SHAREHOLDERS AS AT 28 APRIL 2006

No.	Name	No. of Shares Held	% of Issued Capital
1.	Fang Chew Ham	57,237,875	32.71
2.	Fong Chiew Hean	9,919,350	5.67
3.	Foong Chiew Fatt	9,919,350	5.67
Total		77,076,575	44.05

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at Banquet Room, Kelab Rahman Putra Malaysia, 1st Floor, Jalan BRP 2/1, Bukit Rahman Putra, 47000 Sungai Buloh, Selangor Darul Ehsan on Wednesday, the 21st day of June 2006 at 10.00 a.m. for the following purposes:

AGENDA

1. To receive the audited Financial Statements for the financial year ended 31st December 2005 and the Reports of the Directors and Auditors thereon. **(Resolution 1)**
2. To re-elect the following Directors who retire by rotation pursuant to Article 86 of the Company's Articles of Association:
 - 2.1 Mr. Fong Chiew Hean **(Resolution 2)**
 - 2.2 Mr. Chew Eng Chai **(Resolution 3)**
 - 2.3 Mr. Tan Chon Sing @ Tan Kim Tieng **(Resolution 4)**
3. To consider and if thought fit, pass the following Resolution in accordance with Section 129(6) of the Companies Act, 1965:

"That Mr. Foong Chiew Fatt, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting."

(Resolution 5)
4. To re-appoint Messrs. Ernst & Young as Auditors and to authorize the Directors to fix their remuneration. **(Resolution 6)**
5. As special business, to consider and if thought fit, to pass the following resolutions:

As Ordinary Resolution -
Authority to Directors to Allot and Issue Shares
Pursuant to Section 132 D of the Companies Act, 1965

"That subject to the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Section 132 D of the Companies Act, 1965 to allot and issue new ordinary shares of RM0.20 in the Company at any time and upon such terms and conditions and for such purposes as the Directors, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing and quotation of the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

(Resolution 7)
6. To consider any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

NG BEE LIAN (MAICSA 7041392)
TAN ENK PURN (MAICSA 7045521)
Company Secretaries

Kuala Lumpur
Date: 29 May 2006

EXPLANATORY NOTES TO SPECIAL BUSINESS:

1. Your Board would like to act expeditiously on opportunities to expand your Group's business, if and when they arise. The proposed resolution No. 7, if passed, is to authorize the Directors to issue up to 10% of the paid up capital of the Company. This is to avoid any delay and cost involved in convening a general meeting to approve such an issue of shares. This authority will, unless revoked or varied by the Company in a General Meeting, expire at the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier.

NOTES:

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.
2. The proxy form must be duly completed and deposited at the registered office of the Company at AL 308, Lot 590 & Lot 4196, Jalan Industri, U19, Kampung Baru Seri Sungai Buloh, 47000 Selangor D.E. not less than 48 hours before the time for holding the meeting. Provided that in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his /their proxy, PROVIDED always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Act are complied with.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. Where the appointer is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorized.

Statement Accompanying Notice of Annual General Meeting

Pursuant to paragraph 8.28(2) of the Bursa Malaysia Securities Berhad Listing Requirements appended hereunder are:

1. Details of Directors standing for re-election and re-appointment are as follows:

Name of Directors	Directors' Profile (page number in this Annual Report)
Fong Chiew Hean	Page 4
Chew Eng Chai	Page 4
Tan Chon Sing @ Tan Kim Tieng	Page 4
Foong Chiew Fatt	Page 4

2. Details of Directors' attendance at Board Meetings held in the financial year ended 31 December 2005 are as follows:

A total of four (4) Board Meetings were held during the financial year ended 31 December 2005.

Name of Director	No. of Meetings Attended	% of Attendance
Fang Chew Ham	4/4	100.00
Dato' Mohd Nor Abdul Wahid	4/4	100.00
Fang Siew Yee	4/4	100.00
Foong Chiew Fatt	4/4	100.00
Fong Chiew Hean	4/4	100.00
Fong Chu King @ Tong Chu King	4/4	100.00
Chew Eng Chai	4/4	100.00
Tan Chon Sing @ Tan Kim Tieng	4/4	100.00
Dato' Samsudin Bin Abu Hassan	3/4	75.00
Khoo Wee Boon	4/4	100.00
Liew Kuo Shin	4/4	100.00
Fang Siew Ping	4/4	100.00

3. Details of place, date and time of the Annual General Meeting are as follows:

Place

Kelab Rahman Putra Malaysia, Banquet Room,
1st Floor, Jalan BRP 2/1, Bukit Rahman Putra,
47000 Sungai Buloh, Selangor Darul Ehsan.

Date & Time

Wednesday 21st June 2006 at 10.00 a.m.

Proxy Form



THREE-A RESOURCES BERHAD
(481559-M)
Incorporated in Malaysia

I/We,
of
being a member of Three-A Resources Berhad hereby appoint
..... of

or the Chairman of the meeting as my / our proxy to attend and vote as indicated hereon on my /our behalf at the Annual General Meeting of the Company to be held on the 21st day of June 2006 at 10.00 a.m. and at any adjournment thereof.

RESOLUTIONS	FOR	AGAINST
1 Receive the audited Financial Statements for the financial year ended 31st December 2005 and the Reports of the Directors and Auditors thereon		
2 Re-election of Mr. Fong Chiew Hean		
3 Re-election of Mr. Chew Eng Chai		
4 Re-election of Mr. Tan Chon Sing @ Tan Kim Tieng		
5 Re-appointment of Mr. Foong Chiew Fatt		
6 Re-appointment of Messrs. Ernst & Young as Auditors and to authorize the directors to fix the Auditors' Remuneration		
7 Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965		

(Please indicate with a cross (x) in the spaces provided whether you wish your vote to be cast for or against the Resolutions. In the absence of specific directions, your proxy will vote or abstain as he thinks fit.)

Dated this day of2006

No. of Shares

.....
Signature / Common Seal

Notes:

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.
2. The proxy form must be duly completed and deposited at the registered office of the Company at AL 308, Lot 590 & Lot 4196, Jalan Industri, U19, Kampung Baru Seri Sungai Buloh, 47000 Selangor D.E. not less than 48 hours before the time for holding the meeting. Provided that in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his /their proxy, PROVIDED Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Act are complied with.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. Where the appointer is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorized.

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AFFIX
30 sen
STAMP

THREE-A RESOURCES BERHAD

AL 308, Lot 590 & Lot 4196
Jalan Industri, U 19
Kampung Baru Seri Sungai Buloh
47000 Selangor Darul Ehsan

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