

FINANCIAL STATEMENTS

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The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2005.

Principal activities

The principal activities of the Company are investment holding, property investment and the provision of management services to companies within the Group. The principal activities of the subsidiaries are stated in Note 2(c) to the financial statements.

Subsidiaries acquired during the year and their principal activities have been disclosed in Notes 36 and 2(c) to the financial statements, respectively.

There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit before tax	24,647	29,117
Taxation	(16,993)	(22,135)
Profit after tax	7,654	6,982
Minority interest	(2,692)	-
Net profit attributable to shareholders	4,962	6,982

Reserves and provisions

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

Dividends

Since the end of the previous financial year, the Company paid a final dividend of 3% less tax amounting to RM8,349,509 on 16 June 2005 in respect of the financial year ended 31 December 2004.

The final dividend recommended by the Directors in respect of the financial year ended 31 December 2005 is 2% less tax amounting to RM5,566,339.

Directors of the Company

Directors who served since the date of the last report are:

Lei Lin Thai
Wong Ah Kow
Tam Kam Too
Abu Bakar bin Abdul Karim
Michael Ting Sii Ching
Rohana Tan Sri Mahmood
Wong Chee Beng (appointed on 20.3.2006)
Tunku Ahmad Burhanuddin bin Tunku Datuk Seri Adnan (resigned on 31.12.2005)

Directors of the Company (Cont'd)

The holdings and deemed holdings in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM1 each			
	At 1.1.2005	Bought	Sold	At 31.12.2005
In the Company				
Direct interest				
Lei Lin Thai	89,147,804	-	-	89,147,804
Wong Ah Kow	23,640,386	-	-	23,640,386
Tam Kam Too	12,769,607	-	-	12,769,607
Indirect interest				
By virtue of shares held by Linta Holdings Sdn. Bhd.:				
Lei Lin Thai	2,932,785	-	-	2,932,785
By virtue of shares held by See Chuan Holdings Sdn. Bhd.:				
Wong Ah Kow	977,595	-	-	977,595
By virtue of shares held by Kam Joo Holdings Sdn. Bhd.:				
Tam Kam Too	593,074	-	-	593,074
By virtue of shares held by Tung Hup Holdings Sdn. Bhd.:				
Lei Lin Thai	71,104,457	-	-	71,104,457
Wong Ah Kow				
In the subsidiaries				
Indirect interest				
By virtue of shares held by Tung Hup (Contracting) Sdn. Bhd.:				
Sunshine Paradigm Sdn. Bhd.				
Lei Lin Thai	700,000	-	-	700,000
Wong Ah Kow				
Tam Kam Too				
Clarion Construction Sdn. Bhd.				
Lei Lin Thai	-	600	-	600
Wong Ah Kow				
Tam Kam Too				

Directors of the Company (Cont'd)

		Number of ordinary shares of RM1 each			
		At			At
		1.1.2005	Bought	Sold	31.12.2005
<i>In the subsidiaries</i>					
Indirect interest					
By virtue of shares held by Tracpower Sdn. Bhd. and Sunshine Paradigm Sdn. Bhd.:					
PT Sunshine Indonesia					
Lei Lin Thai)				
Wong Ah Kow	)	-	864,500	-	864,500
Tam Kam Too)				
Tung Hup Kelapa Sawit Sdn. Bhd.					
Lei Lin Thai)				
Wong Ah Kow	)	3,000,000	-	-	3,000,000
Tam Kam Too)				
By virtue of shares held by Besatim Sdn. Bhd.:					
Kaling Sdn. Bhd.					
Lei Lin Thai)				
Wong Ah Kow	)	25,000	-	-	25,000
Tam Kam Too)				
By virtue of shares held by the Company:					
Technology Asia Ventures Sdn. Bhd.					
Lei Lin Thai)				
Wong Ah Kow	)	1,400,028	-	-	1,400,028
Tam Kam Too)				
Amazon Plus Sdn. Bhd.					
Lei Lin Thai)				
Wong Ah Kow	)	247	-	-	247
Tam Kam Too)				
By virtue of shares held by iTech Worldwide Sdn. Bhd.:					
THG E-Net Solutions Sdn. Bhd.					
Lei Lin Thai)				
Wong Ah Kow	)	3,963,055	-	-	3,963,055
Tam Kam Too)				

Directors of the Company (Cont'd)

		Number of Redeemable Cumulative Preference Shares of RM1 each			
		At			At
		1.1.2005	Bought	Sold	31.12.2005
<i>In the subsidiaries</i>					
Indirect interest					
By virtue of shares held by the Company:					
Technology Asia Ventures Sdn. Bhd.					
Lei Lin Thai)				
Wong Ah Kow	)	19,435,288	-	-	19,435,288
Tam Kam Too)				

		Number of options over ordinary shares of RM1 each				
		Option price	At		At	
			1.1.2005	Granted	Exercised	31.12.2005
TH Group Berhad						
Lei Lin Thai		RM1.00	600,000	-	-	600,000
Wong Ah Kow		RM1.00	200,000	-	-	200,000

		Number of warrants			
		At	Subscribed/		At
		1.1.2005	Bought	Sold	31.12.2005
TH Group Berhad					
Direct interest					
Lei Lin Thai		49,156,000	-	-	49,156,000
Wong Ah Kow		2,605,400	-	(2,000,000)	605,400
Tam Kam Too		1,001,000	-	-	1,001,000

Indirect interest

By virtue of shares held by Linta Holdings Sdn. Bhd.:

Lei Lin Thai		1,174,000	-	-	1,174,000
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By virtue of shares held by See Chuan Holdings Sdn. Bhd.:

Wong Ah Kow		314,000	-	-	314,000
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By virtue of shares held by Kam Joo Holdings Sdn. Bhd.:

Tam Kam Too		238,000	-	-	238,000
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By virtue of shares held by Tung Hup Holdings Sdn. Bhd.:

Lei Lin Thai)				
Wong Ah Kow)	22,000,000	-	-	22,000,000

None of the other Directors holding office at 31 December 2005 had any interest in the shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director has received nor become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements of the Company and of the related corporations or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the 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, other than those as disclosed in Note 33 to the financial statements.

As disclosed in Note 33 to the financial statements, the Group has significant related party transactions with companies in which certain Directors of the Company are also Directors or in which they have substantial financial interests. These transactions are entered into in the ordinary course of business based on terms and conditions mutually agreed between the relevant parties.

Certain Directors of the Company namely Lei Lin Thai, Wong Ah Kow and Tam Kam Too are deemed to have benefited from these transactions by virtue of them being Directors or having substantial financial interests in the companies as mentioned in the preceding paragraph.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the warrants held and the options granted pursuant to the Employees' Share Option Scheme.

Share capital

There were no changes in the issued and paid-up capital of the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares or debentures of the Company during the financial year apart from the warrants issued and options granted pursuant to the Employees' Share Option Scheme.

Warrants

The warrants are in registered form and constituted by a deed poll and entitle the registered holders to subscribe for one (1) new ordinary share of RM1.00 in the Company at a price of RM1.25 per ordinary share for every warrant held subject to adjustments in accordance with the deed poll. The warrants can be exercised at any time from the date of issue and they shall expire on 31 January 2007. At the end of the financial year, 142,462,363 warrants remained unexercised.

Employees' Share Option Scheme

The Company's Employees' Share Option Scheme (ESOS) for eligible employees and executive Directors of the Company and its subsidiaries was approved by the shareholders at the Extraordinary General Meeting held on 21 April 2004. The ESOS became effective on 28 July 2004 when the last of the requisite approvals was obtained and is valid for a period of five (5) years.

The main features of the ESOS are:

- (a) The total number of new ordinary shares of RM1.00 each which may be made available under the ESOS shall not exceed ten per cent (10%) of the issued and paid-up ordinary share capital of the Company at any one time.

Employees' Share Option Scheme (Cont'd)

The main features of the ESOS are (Cont'd):

- (b) The option price for each new share shall be the higher of the weighted average market price of the shares of the Company as shown in the daily official list issued by Bursa Malaysia for the five (5) market days immediately preceding the date of offer subject to a discount of not more than ten per cent (10%) thereon or the par value of the share of the Company.
- (c) The number of years that eligible employees of the Group and full time executive Directors of the Company and its subsidiaries must serve in order to participate in the ESOS ranges from 0-5 years as provided for in the By-laws.
- (d) Not more than fifty per centum (50%) of the shares available under the scheme should be allocated, in aggregate, to executive Directors and senior management and not more than ten per centum (10%) of the shares available at the point in time when an offer is made should be allocated to any individual eligible employee.
- (e) Subject to the approval of the relevant authorities, the Company may establish a new ESOS after the expiry of the current scheme if the current scheme is not renewed. Where the current scheme has been renewed, a new scheme is allowed upon expiry of the renewed current scheme.
- (f) The Company may at any time terminate the scheme provided that it has obtained the approval of the Securities Commission, the consent of its shareholders at a general meeting and all the grantees.
- (g) The new shares to be allotted and issued upon any exercise of the options will upon such allotment and issuance, rank pari passu in all respects with the then issued and fully paid-up shares except that the shares so issued will not rank for any dividends, rights, allotments or other distributions, the entitlement date (namely the date as at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights, allotments or other distributions) of which is prior to the date of allotment of the new shares and will be subject to all the provisions of the Articles relating to transfer, transmission and otherwise of the shares.
- (h) The option is personal to the grantee and is non-assignable.

The movements in options to take up unissued new ordinary shares of RM1 each during the year were as follows:

Option price	Date of grant	Number of options over ordinary shares of RM1 each			
		At 1.1.2005	Granted	Exercised	At 31.12.2005
RM1.00 per share	15.10.2004	9,529,800	-	-	9,529,800

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- (ii) all current assets have been stated at the lower of cost and net realisable value.

As at the date of this report, the Directors are not aware of any circumstances:

- (i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- (ii) that would render the values attributed to the current assets in the Group and in the Company financial statements misleading, or

Other statutory information (Cont'd)

- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- (iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company as misleading.

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 and which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 December 2005 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:



Lei Lin Thai



Wong Ah Kow

Kuala Lumpur,

Date: 21 March 2006

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

In the opinion of the Directors, the financial statements set out on pages 92 to 137 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2005 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:



Lei Lin Thai



Wong Ah Kow

Kuala Lumpur,

Date: 21 March 2006

STATUTORY DECLARATION PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Yew Hong Aun, the officer primarily responsible for the financial management of TH Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 92 to 137, are, to the best of my knowledge and belief, 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 above named in Kuala Lumpur on 21 March 2006



Yew Hong Aun

Before me:



Tingkat 10 Wisma UOA Damansara
50, Jalan Dungun,
Bukit Damansara,
50490 Kuala Lumpur

We have audited the financial statements set out on pages 92 to 137. The preparation of the financial statements is 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 approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the state of affairs of the Group and of the Company at 31 December 2005 and the results of their operations and cash flows for the year ended on that date; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries for which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiaries in respect of which we have not acted as auditors are identified in Note 2(c) to the financial statements and we have considered their financial statements and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements 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' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under Section 174(3) of the Act.

KPMG

Firm Number: AF 0758
Chartered Accountants

Chen Foo Siong

Partner
Approval Number: 1547/11/06(J/PH)

Kuala Lumpur,

Date: 21 March 2006

BALANCE SHEETS AS AT 31 DECEMBER 2005

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Property, plant and equipment	3	317,751	315,604	19,084	19,328
Investments in subsidiaries	4	-	-	553,189	585,028
Investment in associates	5	5,167	422	-	-
Other investments	6	32,144	45,713	-	-
Land held for property development	7	5,043	5,043	-	-
Intangible assets	8	42,282	42,138	-	-
Deferred tax assets	18	1,089	379	-	-
Trade, loan and other receivables	9	7,071	16,535	89,199	69,179
Deposits with licensed banks	10	22,173	18,673	10,818	6,987
		432,720	444,507	672,290	680,522
Current assets					
Inventories	11	12,598	11,485	-	-
Trade, loan and other receivables	9	190,289	167,817	16,439	23,813
Tax recoverable		10,710	8,434	10,191	8,246
Other investments	6	883	22,971	383	382
Deposits with licensed banks	10	97,670	14,103	74,500	8,500
Cash and bank balances	12	7,990	12,784	1,219	612
		320,140	237,594	102,732	41,553
Current liabilities					
Trade and other payables	13	57,165	73,843	30,693	27,537
Bank borrowings	14	44,873	37,315	17,500	20,500
Islamic debt securities	19	45,000	20,000	45,000	20,000
Provision for taxation		3,340	3,579	-	-
		150,378	134,737	93,193	68,037
Net current assets/(liabilities)		169,762	102,857	9,539	(26,484)
		602,482	547,364	681,829	654,038

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Represented by:					
Capital and reserves					
Share capital	15	386,551	386,551	386,551	386,551
Reserves	16	(45,091)	(41,962)	15,324	16,691
Minority shareholders' interest	17	341,460 17,299	344,589 13,845	401,875 -	403,242 -
Long term and deferred liabilities					
Trade and other payables	13	-	-	99,954	127,796
Bank borrowings	14	1,632	4,822	-	3,000
Deferred tax liabilities	18	62,091	64,108	-	-
Islamic debt securities	19	75,000	120,000	75,000	120,000
Private debt securities	20	105,000	-	105,000	-
		243,723	188,930	279,954	250,796
		602,482	547,364	681,829	654,038
Net tangible assets per share (sen)	21	77.40	78.24	103.96	104.32

The financial statements were approved and authorised for issue by the Board of Directors on 21 March 2006.

The notes set out on pages 98 to 137 form an integral part of, and should be read in conjunction with, these financial statements.

INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Revenue	22	320,684	302,089	90,074	45,836
Cost of sales	23	(247,346)	(220,952)	(818)	(1,139)
Gross profit		73,338	81,137	89,256	44,697
Administration expenses		(33,391)	(31,089)	(12,232)	(10,206)
Allowance for diminution in value of other investments		(15,450)	(13,322)	-	-
Allowance for diminution in value of investments in subsidiaries		-	-	(43,993)	(18,093)
Other operating income		7,673	10,727	3,018	3,344
Operating profit	24	32,170	47,453	36,049	19,742
Interest expense	26	(7,269)	(6,861)	(6,932)	(5,774)
Profit before tax and share of associates' results		24,901	40,592	29,117	13,968
Share of losses in associates		(254)	(371)	-	-
Profit before tax		24,647	40,221	29,117	13,968
Taxation	27	(16,993)	(19,893)	(22,135)	(9,710)
Profit after tax		7,654	20,328	6,982	4,258
Minority interest		(2,692)	(2,035)	-	-
Net profit for the year		4,962	18,293	6,982	4,258
Earnings per ordinary share (sen)					
- Basic	28	1.28	4.83		
- Diluted	28	-	-		
Net dividend per ordinary share (sen)	29	2.16	2.16	2.16	2.16

The notes set out on pages 98 to 137 form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2005

Group	Note	← Non-distributable →					← Distributable →			Total RM'000
		Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Reserve on consolidation RM'000	Merger deficit RM'000	Foreign exchange reserve RM'000	Capital reserve RM'000	Retained profits RM'000	
At 1 January 2004		356,267	21,923	111,222	10,214	(294,476)	736	204	96,913	303,003
Issue of shares:										
Exercise of share option		45	-	-	-	-	-	-	-	45
Acquisition of a subsidiary		30,239	3,024	-	-	-	-	-	-	33,263
Net profit for the year		-	-	-	-	-	-	-	18,293	18,293
Dividends - 2003 final	29	-	-	-	-	-	-	-	(8,349)	(8,349)
Net gain/(loss) not recognised in the income statement	16	-	-	(2,206)	-	-	(1,666)	-	2,206	(1,666)
At 31 December 2004		386,551	24,947	109,016	10,214	(294,476)	(930)	204	109,063	344,589
Net profit for the year		-	-	-	-	-	-	-	4,962	4,962
Dividends - 2004 final	29	-	-	-	-	-	-	-	(8,349)	(8,349)
Net gain/(loss) not recognised in the income statement	16	-	-	(12)	(5)	-	263	-	12	258
At 31 December 2005		386,551	24,947	109,004	10,209	(294,476)	(667)	204	105,688	341,460

Note 15

Company	Note	Non-distributable		Distributable	Total RM'000
		Share capital RM'000	Share premium RM'000	Retained profits RM'000	
At 1 January 2004		356,267	4,205	13,553	374,025
Issue of shares:					
Issue of shares		30,239	3,024	-	33,263
Exercise of share options		45	-	-	45
Net profit for the year		-	-	4,258	4,258
Dividends - 2003 final	29	-	-	(8,349)	(8,349)
At 31 December 2004		386,551	7,229	9,462	403,242
Net profit for year		-	-	6,982	6,982
Dividends - 2004 final	29	-	-	(8,349)	(8,349)
At 31 December 2005		386,551	7,229	8,095	401,875

Note 15

The notes set out on pages 98 to 137 form an integral part of, and should be read in conjunction with, these financial statements.

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash flows from operating activities				
Profit before tax	24,647	40,221	29,117	13,968
Adjustments for				
Allowance for diminution in value of other investments	15,450	13,322	-	-
Allowance for diminution in value of investments in subsidiaries	-	-	43,993	18,093
Amortisation of development costs	148	111	-	-
Bad debts written off	59	93	-	-
Depreciation	16,160	16,249	555	546
Gross dividend income	-	-	(86,000)	(42,000)
Gain on disposal of other investment	(266)	(298)	-	(298)
Gain on disposal of plant and equipment	(5,207)	(9,379)	(20)	-
Interest expense	7,269	6,861	6,932	5,774
Interest income	(1,120)	(1,179)	(2,967)	(2,931)
Inventories written off	24	-	-	-
Plant and equipment written off	160	1,042	-	12
Share of losses in associates	254	371	-	-
Operating profit/(loss) before working capital changes	57,578	67,414	(8,390)	(6,836)
Changes in working capital:				
Inventories	(1,113)	(5,590)	-	-
Trade and other receivables	(12,232)	(25,638)	(12,646)	(28,550)
Trade and other payables	(16,678)	21,544	37,234	45,740
Cash generated from operations	27,555	57,730	16,198	10,354
Income taxes (paid)/refunded	(22,235)	(19,073)	-	191
Net cash generated from operating activities	5,320	38,657	16,198	10,545
Cash flows from investing activities				
Acquisition of subsidiary, net of cash acquired	-	(11,713)	-	(9,866)
Interest received	1,120	1,179	2,967	2,931
Investment in subsidiaries	-	-	(12,155)	-
(Increase)/decrease in pledged and designated deposits and bank balances with licensed banks (net)	(48,544)	8,456	(48,875)	12,062
Proceeds from disposal of plant and equipment	9,919	9,568	21	130
Purchase of other investments	(6,889)	(11,296)	-	-
Purchase of property, plant and equipment, net of depreciation and interest capitalised	(23,272)	(16,777)	(312)	(464)
Purchase of intangible asset	(292)	(336)	-	-
Proceeds from disposal of other investment	266	2,233	-	2,233
Subscription for additional preference shares in a subsidiary	-	-	-	(9,394)
Net cash used in investing activities	(67,692)	(18,686)	(58,354)	(2,368)

CASH FLOW STATEMENTS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash flows from financing activities				
Dividend paid to shareholders of the Company	(8,349)	(8,349)	(8,349)	(8,349)
Interest paid	(7,269)	(6,861)	(6,932)	(5,774)
Payment of hire purchase liabilities	(57)	(13)	-	-
Proceeds from issuance of share under ESOS	-	45	-	45
Proceeds from bank borrowings	-	14,500	-	14,500
Proceeds from Private debt securities	105,000	-	105,000	-
Repayment of Islamic debt securities	(20,000)	(10,000)	(20,000)	(10,000)
Repayment of bank borrowings	(6,150)	(6,000)	(6,000)	(6,000)
Net cash generated from/(used in) financing activities	63,175	(16,678)	63,719	(15,578)
Net increase/(decrease) in cash and cash equivalents	803	3,293	21,563	(7,401)
Foreign exchange difference	263	645	-	-
Cash and cash equivalents at beginning of year	47,771	43,833	8,966	16,367
Cash and cash equivalents at end of year	48,837	47,771	30,529	8,966

Cash and cash equivalents

Cash and cash equivalents comprise the following balance sheet amounts:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash and bank balances (excluding designated bank balances)	7,800	12,638	1,029	466
Deposits with licensed banks (excluding deposits pledged and designated deposits)	52,670	14,103	29,500	8,500
Quoted unit trust	500	22,589	-	-
Bank overdrafts	(12,133)	(1,559)	-	-
	48,837	47,771	30,529	8,966

The notes set out on pages 98 to 137 form an integral part of, and should be read in conjunction with, these financial statements.

1. Summary of significant accounting policies

The following accounting policies are adopted by the Group and by the Company and are consistent with those adopted in previous years.

(a) Basis of accounting

The financial statements of the Group and of the Company are prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to 31 December 2005. Particulars of the subsidiaries are set out in Note 2(c) to the financial statements.

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting except for certain subsidiaries which had met the criteria of Malaysian Accounting Standard (MAS) No. 2, Accounting for Acquisitions and Mergers (being the applicable standard then) are consolidated based on merger method of accounting.

A subsidiary is excluded from consolidation when either control is intended to be temporary if the subsidiary is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiaries excluded on these grounds are accounted for as investments.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included from the date of acquisition or up to date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is treated as goodwill or reserve on consolidation as appropriate.

Under the merger method of accounting, the results of the subsidiaries are presented as if the subsidiaries had been combined throughout the current and previous financial years. The difference between the cost of acquisition and the nominal value of the share capital and reserves of the merged subsidiaries is taken to merger reserve or deficit as appropriate.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

(c) Associates

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies.

The consolidated financial statements include the total recognised gains and losses of the associate on an equity accounted basis from the date that significant influence effectively commences until the date that significant influence effectively ceases.

Unrealised profits arising on transactions between the Group and its associate which are included in the carrying amount of the related assets and liabilities are eliminated partially to the extent of the Group's interests in the associate. Unrealised losses on such transactions are also eliminated partially unless cost cannot be recovered.

Goodwill or reserve on acquisition is calculated based on the fair value of net assets acquired.

1. Summary of significant accounting policies (Cont'd)

(d) Property, plant and equipment

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

The Group revalues its property comprising land, infrastructure, buildings, plantation development expenditure and estate buildings every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other circumstances, a decrease in carrying amount is charged to the income statement.

Long term leasehold land are amortised over the remaining periods of the leases which range from 29 years to 913 years.

Plantation development expenditures in respect of oil palm and cocoa plantations are amortised over the productive lives of 25 and 20 years respectively.

All other property, plant and equipment except for freehold land and capital work-in-progress are depreciated over their estimated useful lives at the following principal annual rates:

Buildings	2%
Estate buildings and workshop	10%
Infrastructure	2% - 10%
Motor vehicles and heavy equipment	10% - 20%
Palm oil mill	2% - 6.67%
Plant and machinery	20%
Office and hospital equipment, furniture and fittings	10% - 20%
Renovation	10%

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

Property, plant and equipment retired from active use and held for disposal are stated at the carrying amount at the date when the asset is retired from active use, less impairment losses, if any.

(e) Plantation development expenditure

All direct expenditure incurred in the development and maintenance of immature areas of the oil palm and cocoa plantation is capitalised under plantation development expenditure until the trees attain maturity. Net income from scout harvesting in immature areas is credited against plantation development expenditure. Maintenance expenditure incurred after maturity is charged to the income statement as and when incurred. The normal periods to maturity after the month of planting are 30 months for oil palm and 36 months for cocoa. Plantation overhead expenditure is apportioned to revenue expenditure and plantation development expenditure on the basis of the proportion of mature and immature areas. Amortisation of plantation development expenditure commences when the trees attain maturity. All replanting expenditure is capitalised under plantation development expenditure.

(f) Land held for property development

Land held for property development consist of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the Group's normal operating cycle of 2 to 3 years. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

1. Summary of significant accounting policies (Cont'd)**(f) Land held for property development (Cont'd)**

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the Group's normal operating cycle of 2 to 3 years.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

(g) Intangible assets**(i) Goodwill**

Goodwill represents the excess of the cost of acquisition over the fair values of the net identifiable assets acquired.

Goodwill is not amortised. The goodwill is stated at cost and subject to yearly impairment review.

(ii) Development costs

Expenditure on software development is capitalised when the software is technically and commercially feasible and the Company has sufficient resources to complete development. The expenditure capitalised includes the direct labour costs.

Capitalised development expenditure will be amortised using the straight line method over a period of not more than five years upon commercialisation of the product.

(iii) Intellectual property

Intellectual property represents the costs incurred in acquiring a patented proprietary technology/software and costs incurred in its continued development. This will be amortised using the straight line method over a period of not more than five years upon commercialisation of the product.

(h) Investments

Long term quoted and unquoted investments other than in subsidiaries and associates, are stated at cost. An allowance is made when the Directors are of the view that there is a diminution in their value which is other than temporary.

Long term investments in subsidiaries are stated at cost in the Company, less impairment loss where applicable.

A decrease in the carrying amount of investments is charged to the income statement.

(i) Trade and other receivables

Trade and other receivables are stated at cost less allowance for doubtful debts, if any.

(j) Liabilities

Borrowings and trade and other payables are stated at cost.

1. Summary of significant accounting policies (Cont'd)

(k) Amounts due from/(to) contract customers

Amounts due from contract customers on construction contracts are stated at cost plus attributable profits less foreseeable losses and less progress billings. Cost includes all direct construction costs and other related costs. Where progress billings exceed the aggregate amounts due from contract customers plus attributable profits less foreseeable losses, the net credit balances on all such contracts are shown in trade and other payables as amounts due to contract customers.

(l) Inventories and work-in-progress

All categories of inventories are valued at the lower of cost and net realisable value. Cost is determined principally using the weighted average cost method.

For plantation produce and timber contract work-in-progress, cost consists of materials, direct labour and an appropriate proportion of fixed and variable production overheads.

For consumables stores and software held for sale, cost consists of direct purchase price and incidental costs incurred in bringing the inventories to their present location and condition.

(m) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with financial institutions and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts, pledged deposits and designated balances/deposits.

(n) Impairment

The carrying amount of assets, other than inventories, assets arising from construction contracts, deferred tax assets and financial assets (other than investments in subsidiaries and associate), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to equity.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. The reversal is recognised in the income statement, unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

1. Summary of significant accounting policies (Cont'd)**(o) Hire purchase**

Plant and equipment brought under hire purchase arrangements are capitalised and the corresponding obligations are treated as liabilities. Finance charges of hire purchase are charged to the income statement on the sum of digits basis over the term of the agreements.

(p) Capitalisation of borrowing costs

Borrowing costs incurred on capital work-in-progress and plantation development and maintenance before maturity are capitalised. Capitalisation of borrowing costs will cease when the assets are ready for their intended use.

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to the Group's borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of financing a specific capital work-in-progress or plantation development and maintenance before maturity, in which case the actual borrowing cost incurred on that borrowing less any investment income on the temporary investment of that borrowing will be capitalised.

Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

(q) Income tax

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(r) Foreign currency**(i) Foreign currency transactions**

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange approximating those ruling at transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. All exchange gains or losses are dealt with through the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Ringgit Malaysia at the foreign exchange rates ruling at the date of the transactions.

1. Summary of significant accounting policies (Cont'd)

(r) Foreign currency (Cont'd)

(ii) *Financial statements of foreign operations*

The Group's foreign operations are not considered an integral part of the Company's operations. Accordingly, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Ringgit Malaysia at exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Ringgit Malaysia at average exchange rates applicable throughout the year. Foreign exchange differences arising on translation are recognised directly in equity.

The closing rates used in the translation of foreign currency monetary assets and liabilities and the financial statements of foreign operations are as follows:

100 Indonesian Rupiah	RM0.04	(2004 - RM0.04)
1SGD	RM2.27	(2004 - RM2.32)
1BND	RM2.27	(2004 - RM Nil)

(s) Share premium

When shares are issued at a premium, the excess over par value is credited to the share premium account. Expenses arising from the share issue are written off against the share premium account.

(t) Capital reserve

The Directors consider the sums received from the sale of timber salvaged in the course of clearing the Group's leasehold lands for plantation development as capital sums received in mitigation of further capital expenditure in developing the plantation. Such surplus is accordingly credited to the capital reserve account in the balance sheet.

(u) Revenue recognition

(i) *Goods sold and services rendered*

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to services performed to date as a percentage of total services to be performed. Where the outcome of the transaction cannot be estimated reliably, revenue is recognised only to the extent of the expenses that are recoverable.

(ii) *Construction contracts*

Revenue from construction contracts is recognised based on the percentage of completion method measured by reference to the proportion of contract costs incurred for contract work performed to date that reflect work performed bear to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable to be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

An expected loss on a contract is recognised immediately in the income statements.

1. Summary of significant accounting policies (Cont'd)**(u) Revenue recognition (Cont'd)*****(iii) Dividend income***

Dividend income is recognised when the right to receive payment is established.

(iv) Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset, unless it is doubtful of collection.

(v) Interest expense

All interest incurred in connection with borrowings, other than those capitalised in accordance with Note 1(p), are expensed as incurred.

2. General**(a) Domicile and principal activities**

The Company is domiciled and incorporated in Malaysia under the Companies Act, 1965. Its principal activities are investment holding, property investment and the provision of management services to companies within the Group. The principal activities of the subsidiaries, together with those acquired during the year, are stated in paragraph (c) below.

There has been no significant change in the nature of these activities during the financial year.

(b) Principal places of business**Registered Office**

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Corporate Office

Unit 50-07-02
7th Floor, Wisma UOA Damansara
No 50 Jalan Dungun
Damansara Heights
50490 Kuala Lumpur

Head Office

Lot 2-5, Block C, Bandar Fajar, Mile 1.5
Leila Road
90712 Sandakan
Sabah

2. General (Cont'd)

(c) Subsidiaries

The particulars of the subsidiaries which are all incorporated in Malaysia, except for PT THG Niaga, PT THG Kontrak, PT Sunshine Indonesia and PT iTech Worldwide Indonesia which are incorporated in Indonesia and THG Construction (Brunei) Sdn. Bhd. which is incorporated in Brunei, are as follows:

Subsidiaries	Principal activities	Effective ownership interest	
		2005	2004
Tung Hup Enterprises Sdn. Bhd.	Cultivation of oil palm and investment holding.	100%	100%
Syarikat Tung Hup Plantations Sdn. Bhd.	Cultivation of cocoa and oil palm and investment holding.	100%	100%
Tracpower Sdn. Bhd.	Log handling and stevedoring services.	100%	100%
Technology Asia Ventures Sdn. Bhd.	Venture capital investment and the provision of consultancy services in investment, strategic alliances and investment management.	70%	70%
iTech Worldwide Sdn. Bhd.	Research and development of software application.	100%	100%
Sepat Jaya Credit Enterprise Sdn. Bhd.	Money lending operations.	100%	100%
THG Corporation Sdn. Bhd.	Investment holding.	100%	100%
Suria Semerah Sdn. Bhd.	Dormant. Intended activity is property development.	100%	100%
THG Capital Sdn. Bhd.	Venture capital investment.	100%	100%
Amazon Plus Sdn. Bhd.	Provision of venture capital management, business consulting and corporate advisory services.	82%	82%
Tung Hup Palm Oil Mill Sdn. Bhd.	Palm oil milling.	100%	100%
Tung Hup (Contracting) Sdn. Bhd.	Civil construction works.	100%	100%
Asiaprise Biotech Sdn. Bhd.*	Operate specialised cancer treatment centre.	100%	100%
Subsidiary of THG Corporation Sdn. Bhd.			
PT THG Niaga *	Provision of sales and marketing of logs.	100%	100%

2. General (Cont'd)

(c) Subsidiaries (Cont'd)

Subsidiaries	Principal activities	Effective ownership interest	
		2005	2004
Subsidiary of Syarikat Tung Hup Plantations Sdn. Bhd.			
Syarikat Tawasa Sdn. Bhd.	Property holding.	100%	100%
Subsidiary of Technology Asia Ventures Sdn. Bhd.			
Special Benchmark Sdn. Bhd.	Licensing and development of pen digitised technologies.	100%	100%
Subsidiary of THG Capital Sdn. Bhd.			
Strategic Starview Sdn. Bhd.	Provision of products marketing and advisory services.	100%	100%
Subsidiaries of Tung Hup Enterprises Sdn. Bhd.			
Besatim Sdn. Bhd.	Investment holding.	100%	100%
Sri Insani Sdn. Bhd.	Investment holding.	100%	100%
Rimijaya Sdn. Bhd.	Cultivation of oil palm.	100%	100%
Marceda Corporation Sdn. Bhd.	Cultivation of cocoa.	100%	100%
Magain Enterprise Sdn. Bhd.	Provision of management services.	100%	100%
Subsidiaries of Sri Insani Sdn. Bhd.			
Sekarharum Sdn. Bhd.	Cultivation of oil palm.	100%	100%
Sri Insani Plantations (Sabah) Sdn. Bhd.	Cultivation of oil palm.	100%	100%
Subsidiaries of Besatim Sdn. Bhd.			
Tung Hup Kelapa Sawit Sdn. Bhd.	Cultivation of oil palm.	70%	70%
Kaling Sdn. Bhd.	Dormant.	70%	70%
Subsidiaries of Tracpower Sdn. Bhd.			
PT THG Kontrak *	Land clearing activities.	100%	100%
PT Sunshine Indonesia *	Contracting services, including construction, project management, coal mining and other contracting related services.	91%	-

2. General (Cont'd)

(c) Subsidiaries (Cont'd)

Subsidiaries	Principal activities	Effective ownership interest	
		2005	2004
Subsidiaries of Tung Hup (Contracting) Sdn. Bhd.			
Tung Hup Contracting (Sarawak) Sdn. Bhd.	Dormant.	100%	100%
THG Construction Sdn. Bhd.	Construction work and provision of construction project management services.	100%	100%
Sunshine Paradigm Sdn. Bhd.	Construction work and provision of construction project management services.	70%	70%
Wisdirection Venture Sdn. Bhd.	Provision of construction project management services.	100%	100%
THG Construction (Brunei) Sdn. Bhd.*	Dormant.	100%	100%
Clarion Construction Sdn. Bhd.*	Dormant.	60%	-
Eksplorasi Kiara Sdn. Bhd.*	Dormant.	100%	-
Subsidiaries of iTech Worldwide Sdn. Bhd.			
iTech Worldwide (Consulting) Sdn. Bhd.	Provision of information technology consultancy services which include project management, custom software development, system integration, software re-engineering and network engineering.	100%	100%
THG E-Net Solutions Sdn. Bhd.	Provision of e-business solutions in the vertical market of finance, manufacturing, retailing, logistics, procurement, distribution and mobile commerce.	85%	85%
PT iTech Worldwide Indonesia *	To market, distribute and sell packaged software development, provide internet consulting, software development, IT consultation and management / maintenance services.	100%	-
Subsidiary of Asiaprise Biotech Sdn. Bhd.			
Asiaprise Pharmaceuticals Sdn. Bhd.*	Import, export, distribute, buy, sell, manufacture and otherwise deal in all pharmaceutical, diagnostic and medical and scientific apparatus and materials.	100%	-

* Not audited by KPMG.

3. Property, plant and equipment

Group	Lands, infrastructure, buildings and renovation	Palm oil mill	Plantation development expenditure	Estate buildings and workshop	Plant and machinery	Motor vehicles and heavy equipment	Office and hospital equipment, furniture and fittings	Capital work-in- progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost/Valuation									
At 1 January									
2005	157,541	44,676	146,231	22,699	17	64,848	12,755	9,666	458,433
Additions	337	62	1,076	621	-	4,093	1,767	15,316	23,272
Disposals	(782)	-	-	-	-	(9,794)	(98)	-	(10,674)
Write off	(183)	-	-	(158)	-	(329)	(135)	-	(805)
Transfer	-	-	-	1,144	-	144	79	(1,367)	-
At 31 December									
2005	156,913	44,738	147,307	24,306	17	58,962	14,368	23,615	470,226
Representing items at:									
Cost	44,947	44,738	16,681	23,637	17	58,962	14,368	23,615	226,965
Directors' valuation	111,966	-	130,626	669	-	-	-	-	243,261
	156,913	44,738	147,307	24,306	17	58,962	14,368	23,615	470,226
Accumulated depreciation									
At 1 January									
2005	11,860	22,199	32,431	12,920	16	57,042	6,361	-	142,829
Charge for the year	2,290	2,673	6,046	1,645	1	2,115	1,483	-	16,253
Disposals	(92)	-	-	-	-	(5,836)	(34)	-	(5,962)
Write off	(62)	-	-	(149)	-	(321)	(113)	-	(645)
Transfer	-	-	-	-	-	14	(14)	-	-
At 31 December									
2005	13,996	24,872	38,477	14,416	17	53,014	7,683	-	152,475
Net book value									
At 31 December									
2005	142,917	19,866	108,830	9,890	-	5,948	6,685	23,615	317,751
At 31 December									
2004	145,681	22,477	113,800	9,779	1	7,806	6,394	9,666	315,604
For the year ended 31 December 2004									
Depreciation charge	2,289	3,104	6,226	1,135	2	2,436	1,111	-	16,303

3. Property, plant and equipment (Cont'd)

Lands, infrastructure, buildings and renovation of the Group comprise:

Group	Freehold land RM'000	Long term leasehold land RM'000	Infrastructure RM'000	Buildings RM'000	Renovation RM'000	Total RM'000
Cost/valuation						
At 1 January 2005	9,732	115,792	10,097	18,716	3,204	157,541
Additions	-	-	-	225	112	337
Disposals	-	(420)	-	(362)	-	(782)
Write-off	-	-	-	-	(183)	(183)
At 31 December 2005	9,732	115,372	10,097	18,579	3,133	156,913
Representing items at:						
Cost	9,732	12,681	920	18,481	3,133	44,947
Directors' valuation	-	102,691	9,177	98	-	111,966
	9,732	115,372	10,097	18,579	3,133	156,913
Accumulated depreciation and impairment losses						
At 1 January 2005	-	8,257	1,056	1,507	1,040	11,860
Charge for the year	-	1,282	160	420	428	2,290
Disposals	-	(25)	-	(67)	-	(92)
Write-off	-	-	-	-	(62)	(62)
At 31 December 2005	-	9,514	1,216	1,860	1,406	13,996
Net book value						
At 31 December 2005	9,732	105,858	8,881	16,719	1,727	142,917
At 31 December 2004	9,732	107,535	9,041	17,209	2,164	145,681
For the year ended 31 December 2004						
Depreciation charge	-	1,350	172	375	392	2,289

3. Property, plant and equipment (Cont'd)

Company	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Renovation RM'000	Total RM'000
Cost						
At 1 January 2005	6,000	12,842	201	1,714	267	21,024
Additions	-	-	164	143	-	307
Disposals	-	-	(45)	(4)	-	(49)
Transfer	-	-	-	10	-	10
At 31 December 2005	6,000	12,842	320	1,863	267	21,292
Accumulated depreciation						
At 1 January 2005	-	813	127	664	92	1,696
Charge for the year	-	257	42	229	27	555
Disposals	-	-	(45)	(3)	-	(48)
Transfer	-	-	-	5	-	5
At 31 December 2005	-	1,070	124	895	119	2,208
Net book value						
At 31 December 2005	6,000	11,772	196	968	148	19,084
At 31 December 2004	6,000	12,029	74	1,050	175	19,328
For the year ended 31 December 2004						
Depreciation charge	-	256	68	195	27	546

Depreciation

Depreciation charge for the year of property, plant and equipment is taken up in the financial statements as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Charged to income statement	16,160	16,249	555	546
Capitalised into plantation development expenditure	93	54	-	-
	16,253	16,303	555	546

Revaluation

Certain long term leasehold land, infrastructure, buildings, plantation development expenditure and estate buildings of the Group were revalued by the Directors in 1999 based on professional appraisals by an independent valuer, C.H. William, Talhar and Wong (Sabah) Sdn. Bhd., using open market values on an existing use basis conducted in 1998 and was subsequently updated in 2001 by the same valuer except for properties acquired in 2000 and 2001 which continue to be stated at cost since no material difference is expected. The 2001 valuation amount does not differ materially from the carrying values of the respective properties and as such no changes were made to the carrying values.

3. Property, plant and equipment (Cont'd)

Revaluation (Cont'd)

Further, in January 2005 another update was done by the same valuer, using the open market values on an existing use basis on the Group's assets and the valuation amount does not materially differ from their carrying values.

The Directors are of the opinion that the current market values of the revalued properties are not less than their carrying values as at 31 December 2005.

Had the revalued properties been included in the financial statements at historical cost less accumulated depreciation, the net book value of the revalued properties would have been as follows:

	Group	
	2005 RM'000	2004 RM'000
Long term leasehold land	5,718	5,786
Infrastructure	1,078	1,092
Buildings	23	725
Plantation development expenditure	53,059	57,140
Estate buildings	125	175
	60,003	64,918

Security

Certain property, plant and equipment of the Group stated at cost/valuation of RM31.9 million (2004 - RM15.7 million) have been charged to banks for banking facilities granted to the Group and Company. The details of the banking facilities are stated in Note 14 to the financial statements.

Certain properties of the Group and the Company stated at cost/valuation of RM194.9 million (2004 - RM194.9 million) and RM18.8 million (2004 - RM18.8 million) respectively have been charged to a trustee company as security for the Company's Al-Bai' Bithaman Ajil Islamic Debt Securities Issuance Facility (BAIDS) as disclosed in Note 19 to the financial statements.

In addition, the Group has provided a negative pledge over landed properties to a financial institution for the private debt securities as described in Note 20.

Impairment losses

No impairment loss was charged during the year.

Land titles

The titles to certain freehold and leasehold properties of the Group and the Company with net book value totalling RM19.0 million (2004 - RM19.2 million) and RM17.7 million (2004 - RM18.0 million), respectively, are in the process of being transferred to the name of the Company and the relevant subsidiaries.

Assets under hire purchase

Included in plant and equipment of the Group are motor vehicles and hospital equipment acquired under a hire purchase agreement with a net book value of RM141,320 (2004 - RM204,123).

4. Investments in subsidiaries

	Company	
	2005 RM'000	2004 RM'000
Unquoted shares, at cost		
At 1 January	603,121	434,777
Arising from acquisition of a subsidiary	-	43,129
Arising from subscription of additional ordinary shares in existing subsidiaries	12,155	116,821
Arising from disposal of ordinary shares in an existing subsidiary	-	(1,000)
Arising from subscription of additional preference shares in a subsidiary	-	9,394
	615,276	603,121
Allowance for diminution in value of investments in subsidiaries	(62,087)	(18,093)
At 31 December	553,189	585,028

5. Investment in associates

	Group	
	2005 RM'000	2004 RM'000
Unquoted shares, at cost	5,021	21
Share of post-acquisition reserves	146	401
	5,167	422
Represented by:		
Group's share of net assets	4,646	469
Reserve on acquisition	521	(47)
	5,167	422

The details of the associates of the Group are as follows:

Name of Associate	Country of incorporation	Effective ownership interest		Principal activity
		2005	2004	
Ginosko Venture Management Pte. Ltd.	Singapore	14%	14%	Provision of investment management consultancy and advisory services.
Hyper Triumph Sdn. Bhd.*	Malaysia	49%	49%	Provision of information technology consultancy services.
Progenix Research Sdn. Bhd.	Malaysia	27.91%	-	Provision of toxicology services for pharmaceutical, biotechnology and chemical companies.

* Cost of investment in Hyper Triumph Sdn. Bhd. amounting to RM49.

6. Other investments

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Non current				
Unquoted shares, at cost				
- in Malaysia	19,185	19,185	-	-
- outside Malaysia	24,807	36,295	-	-
	43,992	55,480	-	-
Quoted shares, at cost				
- in Malaysia	61	61	-	-
- outside Malaysia	22,672	20,770	-	-
	22,733	20,831	-	-
	66,725	76,311	-	-
Less: Allowance for diminution in value				
Unquoted shares				
- in Malaysia	(4,180)	(3,980)	-	-
- outside Malaysia	(12,604)	(19,813)	-	-
Quoted shares				
- outside Malaysia	(17,797)	(6,805)	-	-
	32,144	45,713	-	-
Current				
Quoted unit trust, at cost				
- in Malaysia	883	22,971	383	382
Quoted shares, at market value				
- in Malaysia	79	81	-	-
- outside Malaysia	10,195	6,089	-	-
Quoted unit trust, at market value				
- in Malaysia	1,088	23,126	431	517

During the year, the cost of non-current unquoted shares outside Malaysia amounting to RM11,468,000 was written-off against the allowance for diminution in value.

7. Land held for property development

	Group	
	2005 RM'000	2004 RM'000
Land and development costs, at cost	5,043	5,043

8. Intangible assets

Group	Goodwill RM'000	Development costs RM'000	Intellectual property RM'000	Total RM'000
Cost				
At 1 January 2005	40,876	782	620	42,278
Incurring during the year	-	286	6	292
At 31 December 2005	40,876	1,068	626	42,570
Accumulated amortisation				
At 1 January 2005	-	140	-	140
Charge for the year	-	148	-	148
At 31 December 2005	-	288	-	288
At cost/net book value				
At 31 December 2005	40,876	780	626	42,282
At 31 December 2004	40,876	642	620	42,138
Amortisation charge for year ended 31 December 2004	-	111	-	111

9. Trade, loan and other receivables

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Non current				
-Term loan receivables	7,071	16,535	-	-
-Subsidiaries	-	-	89,199	69,179
	7,071	16,535	89,199	69,179
Current				
-Trade receivables	88,175	116,071	-	-
-Term loan receivables	22,352	11,295	-	-
-Amounts due from contract customers	42,023	28,611	-	-
-Subsidiaries	-	-	15,694	23,402
-Associate	177	115	-	115
-Other receivables, deposits and prepayments	37,562	11,725	745	296
	190,289	167,817	16,439	23,813
	197,360	184,352	105,638	92,992

Trade receivables of the Group are stated net of allowance for doubtful debts of RM2.1 million (2004 - RM1 million).

Other receivables, deposits and prepayments of the Group are stated net of allowance for doubtful debts of RM3.222 million (2004 - RM0.991 million).

9. Trade and other receivables (Cont'd)**Amounts due from contract customers**

	Group	
	2005 RM'000	2004 RM'000
Aggregate cost incurred to date	690,637	405,835
Add: Attributable profits	30,665	18,834
	721,302	424,669
Less: Progress billings	(688,444)	(416,025)
	32,858	8,644
Amounts due to contract customers (Note 13)	9,165	19,967
	42,023	28,611

The amounts due from subsidiaries are unsecured, interest free and have no fixed terms of repayment except for RM94,564,589 (2004 – RM80,143,200) due from certain subsidiaries which are subject to interest ranging from 3.00% to 6.50% per annum (2004 – 3.00% to 3.70% per annum).

10. Deposits with licensed banks

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Current				
Deposits with licensed banks	52,670	14,103	29,500	8,500
Deposits placed in the BAIDS designated accounts	45,000	-	45,000	-
	97,670	14,103	74,500	8,500
Non current				
Deposits pledged to licensed banks	11,355	11,686	-	-
Deposits placed in the BAIDS designated accounts	10,818	6,987	10,818	6,987
	22,173	18,673	10,818	6,987
	119,843	32,776	85,318	15,487

The deposits pledged to banks by certain subsidiaries are security for credit and guarantee facilities granted to those subsidiaries.

The deposits placed in the BAIDS Designated Accounts are charged under the terms of the BAIDS as set out in Note 19(v).

11. Inventories

	Group	
	2005 RM'000	2004 RM'000
At cost		
Oil palm nurseries	38	163
Plantation produce	7,523	6,525
Consumable stores	4,026	3,569
Software held for sale	712	712
Hardware held for sale	-	5
Medical supplies and drugs	299	354
	12,598	11,328
At net realisable value		
Cocoa beans	-	157
	12,598	11,485

12. Cash and bank balances

Included in the Group's and the Company's cash and bank balances is RM189,815 (2004 – RM146,132) which represents the balance in the Designated Accounts which are operated jointly by the Company and a trustee representing the BAIDS holders.

These bank accounts are charged under the terms of the BAIDS as set out in Note 19(v).

13. Trade and other payables

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Non current				
-Subsidiaries	-	-	99,954	127,796
	-	-	99,954	127,796
Current				
-Trade payables	38,913	42,335	-	-
-Amounts due to contract customers (Note 9)	9,165	19,967	-	-
-Subsidiaries	-	-	27,502	24,315
-Other payables and accrued expenses	9,087	11,541	3,191	3,222
	57,165	73,843	30,693	27,537
	57,165	73,843	130,647	155,333

The amounts due to subsidiaries are unsecured, interest free and have no fixed terms of repayments except for an amount of RM56,039,277 (2004 – RM28,419,656) due to subsidiaries which is subject to interest ranging from 2.75% to 3.70% per annum (2004 – 3.70% per annum). This amount is unsecured and has no fixed terms of repayment.

14. Bank borrowings

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Current (within 12 months)				
Bank overdrafts	12,133	1,559	-	-
Term loans	18,200	21,200	3,000	6,000
Revolving credit	14,500	14,500	14,500	14,500
Hire purchase payable	40	56	-	-
	44,873	37,315	17,500	20,500
Non current (between 1-2 years)				
Term loans	1,614	4,764	-	3,000
Hire purchase payable	18	58	-	-
	1,632	4,822	-	3,000
	46,505	42,137	17,500	23,500

14. Bank borrowings (Cont'd)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Minimum lease payments				
Not later than 1 year	43	64	-	-
Later than 1 year and not later than 2 years	19	62	-	-
	62	126	-	-
Less: Future finance charges	(4)	(12)	-	-
Present value of liabilities	58	114	-	-
Present value of finance lease liabilities				
Not later than 1 year	40	56	-	-
Later than 1 year and not later than 2 years	18	58	-	-
	58	114	-	-

Interest rates

Bank overdrafts	1% to 1.5% (2004 - 1% to 1.25%) per annum above the banks' base lending rates.
Term loans	1.5% to 2.5% (2004 - 1.5% to 2.5%) per annum above the bank's cost of funds or base lending rates.
Hire purchase	4.5% to 5.0% (2004 - 4.5% to 5.0%) per annum.

Security**Group**

Bank overdrafts and term loans:

- Corporate guarantees issued by the Company as disclosed in Note 30;
- Third party first legal charge of RM20,000,000 over a parcel of plantation land of a subsidiary; and
- Pledge of fixed deposit by a subsidiary of up to RM3 million (2004 - RM3 million) for term loan and up to 20% (2004 - 20%) of the multitrade line facilities utilised.

Company

Term loan:

Third party first legal charge of RM20,000,000 over a parcel of plantation land of a subsidiary.

15. Share capital

	Group and Company	
	2005	2004
	RM'000	RM'000
Ordinary shares of RM1.00 each		
Authorised	600,000	600,000
Issued and fully paid		
At 1 January	386,551	356,267
Shares issued under share option scheme	-	45
Shares issued for acquisition of a subsidiary	-	30,239
At 31 December	386,551	386,551

The Company issued 142,462,363 detachable warrants to its shareholders during the financial year ended 31 December 2002 in conjunction with its Al-Bai' Bithaman Ajil Islamic Debt Securities Issuance Facility as disclosed in Note 19. The warrants were issued on the basis of 2 warrants for every 5 existing ordinary shares. The warrants are in registered form and constituted by a deed poll and entitle the registered holders to subscribe for one (1) ordinary share of RM1.00 in the Company at a price of RM1.25 per ordinary share for every warrant held subject to adjustments in accordance with the deed poll. The warrants can be exercised at any time from the date of issue and they shall expire on 31 January 2007. At the end of the year, 142,462,363 warrants remained unexercised.

As at year end, the number of unissued ordinary shares of RM1 each under options granted pursuant to the ESOS is as follows:

Option price	Date of grant	Number of ordinary shares of RM1 each	
		2005	2004
RM1.00 per share	15.10.2004	9,529,800	9,529,800

16. Reserves

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Non-distributable				
Share premium				
At 1 January	24,947	21,923	7,229	4,205
Issue of shares: Acquisition of subsidiary	-	3,024	-	3,024
At 31 December	24,947	24,947	7,229	7,229
Revaluation reserve				
At 1 January	109,016	111,222	-	-
Transfer to retained profits on realisation	(12)	(2,206)	-	-
At 31 December	109,004	109,016	-	-

16. Reserves (Cont'd)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Non-distributable				
Reserve on consolidation				
At 1 January	10,214	10,214	-	-
Arising from acquisition of subsidiary	(5)	-	-	-
At 31 December	10,209	10,214	-	-
Merger deficit				
At 1 January / 31 December	(294,476)	(294,476)	-	-
Foreign exchange reserve				
At 1 January	(930)	736	-	-
Arising from translation of financial statements of foreign operations	263	(1,666)	-	-
At 31 December	(667)	(930)	-	-
Total non-distributable	(150,983)	(151,229)	7,229	7,229
Distributable				
Capital reserve				
At 1 January / 31 December	204	204	-	-
Retained profits				
At 1 January	109,063	96,913	9,462	13,553
Net profit for the year	4,962	18,293	6,982	4,258
Dividends paid	(8,349)	(8,349)	(8,349)	(8,349)
Transfer from revaluation reserve on realisation	12	2,206	-	-
At 31 December	105,688	109,063	8,095	9,462
Total distributable	105,892	109,267	8,095	9,462
Total reserves	(45,091)	(41,962)	15,324	16,691

Subject to agreement with the Inland Revenue Board, the Company has sufficient Section 108 tax credit to frank all its distributable reserves at 31 December 2005 if paid out as dividends.

17. Minority shareholders' interest

This consists of the minority shareholders' proportion of share capital and reserves in subsidiaries.

18. Deferred taxation

The amounts, determined after appropriate offsetting, are as follows:

	Group	
	2005	2004
	RM'000	RM'000
Deferred tax liabilities	62,091	64,108
Deferred tax assets	(1,089)	(379)
	61,002	63,729

Deferred tax liabilities and assets are offset above as there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

The recognised deferred tax assets and liabilities (before offsetting) are as follows:

	Group	
	2005	2004
	RM'000	RM'000
Property, plant and equipment		
- capital allowances	25,902	27,675
- revaluation	36,796	38,101
Unabsorbed capital and agriculture allowances	(95)	(48)
Unutilised tax losses	(287)	(666)
Provisions	(1,314)	(1,333)
	61,002	63,729

No deferred tax benefit has been recognised in respect of the following items:

Taxable temporary differences	1,422	2,105
Unabsorbed capital allowances	(10,813)	(2,159)
Unutilised tax losses	(19,986)	(15,223)
	(29,377)	(15,277)
Tax rate	28%	28%
	(8,226)	(4,278)

The unutilised tax losses and unabsorbed capital allowances will expire under the 2006 tax legislation if there has been a change of more than 50% of the shareholding as of the last day of the basis period. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the respective subsidiaries in the Group can utilise the benefits.

The Group has tax losses carried forward of RM21,011,000 (2004 – RM17,602,000) which give rise to the recognised and unrecognised deferred tax assets in respect of unutilised tax losses above.

19. Islamic debt securities

During the financial year ended 31 December 2002, the Company had issued RM150,000,000 nominal amount of 3% Al-Bai' Bithaman Ajil Islamic Debt Securities Issuance Facility (BAIDS) with up to 142,462,363 detachable warrants on a "Bought Deal" basis to a primary subscriber. The primary subscriber undertook a private placement of the entire RM150,000,000 nominal amount of the BAIDS (without warrants) and an offer for sale of the provisional rights to the allotment of the warrants to the shareholders of the Company at a price of 18.03 sen per warrant on a renounceable basis of 2 warrants for every 5 existing ordinary shares held on the book closure date of 16 May 2002.

The BAIDS were secured against:

- (i) A third party first legal charge on oil palm plantation lands owned by a wholly-owned subsidiary, Tung Hup Enterprises Sdn. Bhd. and a 70% owned subsidiary, Kaling Sdn. Bhd. The plantation land owned by Kaling Sdn. Bhd. has been sub-leased to Tung Hup Enterprises Sdn. Bhd. since 1992.
- (ii) A third party first legal charge on oil palm plantation owned by a wholly-owned subsidiary, Sri Insani Plantations (Sabah) Sdn. Bhd.
- (iii) A first party, first legal fixed charge on a freehold land together with a block of 3 storey office complex of the Company located in Cyberjaya.
- (iv) An assignment over the Warrants Conversion Account operated jointly by the Company and a trustee.
- (v) A first party first legal fixed charge over the total proceeds in the Designated Accounts, namely Disbursement Account, Reserve Account, Notes Redemption Account, Commodities Reserve Account, Assignment Proceeds Account and Warrants Conversion Account, operated jointly by the Company and a trustee.

The BAIDS applies the underlying Syariah principle of Al-Bai' Bithaman Ajil or Deferred Payment Sale. Under the Syariah principle of Al-Bai' Bithaman Ajil, the primary subscriber first purchased the identified assets which were then resold by the primary subscriber to the Company at a selling price which shall comprise the purchase price and a profit, the aggregate of which amounted to RM169,050,000.

The obligation of the Company to settle the selling price was securitised through the issuance of the BAIDS in the form of Primary Notes and Secondary Notes amounting to RM150,000,000 and RM19,050,000 respectively, the total face value of which equalled the selling price.

The Primary Notes and Secondary Notes are redeemable at their nominal amount in the following manner:

Year of redemption	Primary Notes RM'000	Secondary Notes RM'000	Total RM'000
2002	-	2,250	2,250
2003	-	4,500	4,500
2004	10,000	4,350	14,350
2005	20,000	3,900	23,900
2006	45,000	2,925	47,925
2007	75,000	1,125	76,125
	150,000	19,050	169,050

19. Islamic debt securities (Cont'd)

A Notes Redemption Account had been created and jointly managed by the Company and a trustee for the purpose of redeeming the Primary Notes and the Secondary Notes. The redemption of the Primary Notes and the Secondary Notes will be from the Group's operating cash flow and proceeds from the exercise of warrants captured under the Warrants Conversion Account. The Company shall ensure that there are sufficient funds in the accounts to redeem the Primary Notes and the Secondary Notes at least one (1) month prior to payment date. During the year, the Company had redeemed RM20,000,000 (2004 - RM10,000,000) of its Primary Notes and RM3,900,000 (2004 - RM4,350,000) of its Secondary Notes.

The remaining Notes will be redeemed as follows: -

	Primary Notes RM'000	Secondary Notes RM'000	Total RM'000
Repayable within the next 12 months	45,000	2,925	47,925
Repayable after the next 12 months	75,000	1,125	76,125
	120,000	4,050	124,050

Based on the trust deed, set out below is a summary of significant covenants in respect of the BAIDS facility.

- (a) Security cover over the Notes shall be maintained at not less than 1.6 times of the nominal value of the outstanding notes.
- (b) The Company hereby covenants that it shall not without the prior written consent of Malaysian Trustees Berhad:-
 - (i) Dispose any part of its business or investments or assets which may significantly affect the core business of the Group;
 - (ii) Enter into transaction of merger or consolidation or amalgamation with any company not within the Group or liquidate, wind up or dissolve itself;
 - (iii) Decrease its authorised or issued and paid-up capital;
 - (iv) Amend its Memorandum and Articles of Association;
 - (v) Issue any redeemable shares to external parties;
 - (vi) Change or threaten to change the nature or scope of its business;
 - (vii) During the tenure of the Notes, the Company's investments in Technology Asia Ventures Sdn. Bhd. shall not exceed thirty percent (30%) of the Group's net tangible assets;
 - (viii) Create any mortgage, charge, pledge or other security interest over the assets other than in the normal course of working capital requirements;
 - (ix) Modify the rights attaching to its ordinary share capital;
 - (x) Amend the Depository and Paying Agency Agreement;
- (c) Maintain an annual debt service cover ratio of 1.5:1 and a debt to net tangible asset ratio of not more than 1.25:1.
- (d) Company shall not declare dividend if the annual debt service cover ratio is less than 1.75:1 or if the reserve account is less than the amount required for the next redemption of Secondary Notes and if there is any occurrence of events of default.

20. Private debt securities

During the financial year, the Company embarked on an issuance programme of up to RM200 million nominal value Commercial Papers/Medium Term Notes ("CPs/MTNs"), unsecured promissory notes in bearer form evidencing a promise by the Company to pay the stated Ringgit sums on specified dates. The aggregate outstanding amount of the face value of the CPs and MTNs under the Programme at any point in time shall not exceed RM200 million.

The programme has a tenure of up to seven (7) years from the date of the first issuance of the CPs/MTNs. Under the programme, the Company may issue CPs with tenure of not less than one (1) month but not more than twelve (12) months and MTNs with tenure of not less than twelve (12) months but not more than eighty-four (84) months provided that the maturity dates of the CPs/MTNs fall within the availability period of the Programme. As at 31 December 2005, the Company had issued RM105 million nominal value MTNs.

Issuance Date	Maturity Date	Face Value (RM)	Interest Rate(%)
11 November 2005	11 November 2008	30,000,000	6.10
11 November 2005	11 November 2009	30,000,000	6.50
2 December 2005	2 December 2010	20,000,000	7.00
22 December 2005	22 December 2010	25,000,000	7.00
		105,000,000	

The effective interest rate is as disclosed in Note 34.

The price payable for each MTN purchased is calculated in accordance with the formula specified in the fully automated system for tendering of Private Debt Securities Rules or in the rules governing such issues and approved by Bank Negara Malaysia. The interest is payable half-yearly from the date of issuance until the maturity of the Notes.

The Notes, unless previously redeemed or cancelled, shall be redeemed at the face amount upon maturity.

Set out below is a summary of significant covenants in respect of the CPs/MTNs programme:

- (a) Negative pledge over all present and future land of the Group which are designated for cultivation and/or agriculture use in the issue document of title thereof;
- (b) To give notice of any actual and potential events of default;
- (c) Delivery to the Facility Agent/Trustee of copies of audited statements on a yearly basis and interim financial statements on a half-yearly basis;
- (d) Other covenants as required under the "Guidelines on the Minimum Contents Requirements for Trust Deeds" issued by the Securities Commission;
- (e) Maximum Debt to Shareholders' Funds ratio of 1.25 to 1;
- (f) Minimum Debt Service Cover Ratio of at least 1.50 times.

21. Net tangible assets per share

The net tangible assets per share is calculated by dividing the shareholders' funds, after deducting intangible assets balance, by the number of ordinary shares of the Group and of the Company in issue as at 31 December 2005 of 386,551,340 (2004 – 386,551,340).

22. Revenue

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Sales of plantation produce	148,245	159,021	-	-
Land clearing contract income	879	645	-	-
Civil construction contract income	162,229	134,969	-	-
Licence fees, hardware and software maintenance fee and related costs	2,389	1,500	-	-
Interest income from money lending activities	668	641	-	-
Gross dividends received from unquoted subsidiaries in Malaysia	-	-	86,000	42,000
Management fees received from subsidiaries	-	-	2,089	1,881
Rental income	1,985	1,955	1,985	1,955
Healthcare income	4,289	3,324	-	-
Other income	-	34	-	-
	320,684	302,089	90,074	45,836

23. Cost of sales

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Plantation produce	86,248	84,379	-	-
Land clearing contract	1,077	5,157	-	-
Civil construction contract	155,502	127,814	-	-
Licence fees, hardware and software maintenance fee and related costs	2,345	1,293	-	-
Rental related costs	818	1,139	818	1,139
Healthcare related costs	1,356	1,170	-	-
	247,346	220,952	818	1,139

24. Operating profit

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Operating profit is stated after crediting:				
Gain on disposal of plant and equipment	5,207	9,379	20	-
Gross dividends received from unquoted subsidiaries in Malaysia	-	-	86,000	42,000
Interest income	1,120	1,179	2,967	2,931
Rental income	2,450	2,407	1,985	1,955

24. Operating profit (Cont'd)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
And after charging:				
Allowance for doubtful debts	3,293	1,659	-	-
Amortisation of development costs	148	111	-	-
Auditors' remuneration				
- current year	236	286	20	28
- (over)/under provision in previous year	(8)	26	(8)	7
Bad debts written off	59	93	-	-
Depreciation	16,160	16,249	555	546
Directors' remuneration				
- fees	291	291	291	291
- salaries and other emoluments*	1,152	1,134	624	855
Equipment hire	21	19	-	-
Inventories written off	24	-	-	-
Plant and equipment written off	160	1,042	-	12
Realised loss on foreign exchange	896	2,270	-	-
Rental expenses	1,447	1,236	417	357

* The estimated monetary value of Directors' benefits-in-kind included above is RM39,229 (2004 - RM38,549) and RM39,229 (2004 - RM38,549), for the Group and Company respectively.

25. Employee information

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Staff costs	33,312	36,371	2,868	3,669
Included above:				
EPF contribution	2,637	2,563	377	412

The number of employees of the Group and of the Company (excluding Directors) at the end of the financial year was 2,192 (2004 - 2,435) and 44 (2004 - 44) respectively.

26. Interest expense

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Interest on:				
Advance from subsidiaries	-	-	1,663	479
Bank overdrafts	292	1,195	-	-
Hire purchase	8	9	-	-
Revolving credits	902	472	493	249
Term loans	1,567	919	435	821
Islamic debt securities	3,650	4,225	3,650	4,225
Private debt securities	691	-	691	-
Other payable	159	41	-	-
	7,269	6,861	6,932	5,774

27. Taxation

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Current tax expense				
Malaysia				
- current year	19,859	22,191	22,135	9,710
- (over)/underprovision in prior year	(139)	(577)	-	-
	19,720	21,614	22,135	9,710
Deferred tax expense				
- origination and reversal of temporary differences	(107)	(1,721)	-	-
- (over)/underprovision in prior year	(2,620)	-	-	-
	(2,727)	(1,721)	-	-
	16,993	19,893	22,135	9,710

Reconciliation of effective tax rate

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Profit before taxation	24,647	40,221	29,117	13,968
Income tax using Malaysian tax rates	6,901	11,262	8,153	3,911
Effect of different tax rates in foreign jurisdictions	-	137	-	-
Effect of reduced tax rate for Small Medium Industries ("SMI")	(200)	(201)	-	-
Non-deductible expenses	10,690	8,833	13,982	5,799
Tax exempt income	(77)	(3,096)	-	-
Effect of previously unrecognised deferred tax assets	61	(6)	-	-
Deferred tax assets not recognised	2,228	3,541	-	-
Other items	149	-	-	-
	19,752	20,470	22,135	9,710
Under/(over) provision in prior years	(2,759)	(577)	-	-
Tax expense	16,993	19,893	22,135	9,710

28. Earnings per ordinary share**Basic earnings per share**

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

	Group	
	2005	2004
Net profit for the year (RM'000)	4,962	18,293
Weighted average number of ordinary shares in issue ('000)	386,551	378,980
Basic earnings per share (sen)	1.28	4.83

Diluted earnings per share

The effect of share options and warrants are not included in the current and previous years diluted earnings per share calculation because the assumed conversion would result in an anti-dilutive effect.

29. Dividends

	Group and Company	
	2005	2004
	RM'000	RM'000
Appropriation of retained profits for the final dividend paid of 3% (2004 - 3%) per share less tax for financial year ended 31 December 2004 and 2003, respectively	8,349	8,349

At the forthcoming annual general meeting, a final gross dividend of 2% less tax amounting to RM5,566,339 in respect of the financial year ended 31 December 2005 will be proposed by the Directors for shareholders' approval and upon approval will be appropriated against retained profits during financial year ending 2006.

30. Contingent liabilities

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Secured				
Bank guarantee facility utilised by a third party	19,363	7,855	-	-
Bank guarantee utilised by main contractors of a subsidiary for performance bonds	32,939	32,939	-	-
Bank guarantee in favour of Government agencies	15,940	355	-	-
Bank guarantee in favour of main contractors and suppliers	717	717	-	-
	68,959	41,866	-	-
Unsecured				
Corporate guarantee given to suppliers for credit facilities granted to certain subsidiaries	-	-	25,451	16,851
Performance guarantee given to a third party for a construction contract granted to a subsidiary	-	-	98,999	98,999
Guarantees given to banks for banking facilities granted to certain subsidiaries	-	-	210,852	181,750
	-	-	335,302	297,600
	68,959	41,866	335,302	297,600

The secured contingent liabilities of the Group are secured by fixed deposits pledged to banks as disclosed in Note 10 to the financial statements.

31. Commitments

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment				
Authorised but not contracted for	12,439	14,936	-	-
Contracted but not provided in the financial statements	24,098	13,500	-	-

Other commitment

As at 31 December 2005, a subsidiary has commitments in respect of commodity futures sell contracts and purchase contracts on crude palm oil totalling approximately RM Nil (2004 - RM18,101) and RM Nil (2004 - RM Nil) respectively.

32. Segmental information

Segmental information is presented in respect of the Group's business segments. There is no information on geographical segments presented as majority of the Group's business activities are carried out in Malaysia.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest bearing loans, borrowings and expenses and corporate expenses.

The Group comprises the following business segments:

- Plantation
- Land clearing services
- Construction
- Venture capital
- Information technology
- Investment holding
- Money lending
- Healthcare
- Others

The reconciliation between the segment assets and the aggregate assets in the Group's balance sheet is set out below:

	Group	
	2005	2004
	RM'000	RM'000
Non-current assets	432,720	444,507
Current assets	320,140	237,594
Total assets stated in balance sheet	752,860	682,101
Less: Tax refundable	(10,710)	(8,434)
Deferred tax assets	(1,089)	(379)
Total assets stated in segmental information	741,061	673,288

The reconciliation between the segment liabilities and the aggregate liabilities in the Group's balance sheet is set out below:

	Group	
	2005	2004
	RM'000	RM'000
Current liabilities	150,378	134,737
Long term and deferred liabilities	243,723	188,930
Total liabilities stated in balance sheet	394,101	323,667
Less: Provision for taxation	(3,340)	(3,579)
Deferred tax liabilities	(62,091)	(64,108)
Total liabilities stated in segmental information	328,670	255,980

32. Segmental information (Cont'd)

	Plantation	Land clearing	Construction	Venture capital	Information technology	Investment holding	Money lending	Healthcare	Elimination	Consolidated
2005	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Business Segments										
Revenue from external customers	148,245	879	162,229	-	2,389	1,985	668	4,289	-	320,684
Inter-segment revenue	86,904	-	15,446	156	1,001	88,089	-	-	(191,596)	-
Total revenue	235,149	879	177,675	156	3,390	90,074	668	4,289	(191,596)	320,684
Segment results	58,565	(529)	5,299	(16,249)	(3,437)	(7,280)	(425)	(3,462)	-	32,482
Unallocated expenses										(1,432)
Interest income										1,120
Operating profit										32,170
Interest expense										(7,269)
Share of loss in associates										(254)
Profit before tax										24,647
Segment assets										
Investment in associates										5,167
Unallocated assets										52,670
Total assets										741,061
Segment liabilities										
Unallocated liabilities										259,314
Total liabilities										328,670
Capital expenditure	4,416	1,520	983	5	1,054	307	-	15,254	-	23,539
Depreciation and amortisation	(13,558)	(92)	(834)	(22)	(354)	(555)	-	(893)	-	(16,308)
Non-cash expenses other than depreciation and amortisation	(101)	-	(92)	(15,725)	-	-	-	(29)	-	(15,947)

32. Segmental information (Cont'd)

	Plantation	Land clearing	Construction	Venture capital	Information technology	Investment holding	Money lending	Healthcare	Elimination	Consolidated
2004	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Business Segments										
Revenue from external customers	159,021	645	134,969	34	1,500	1,955	641	3,324	-	302,089
Inter-segment revenue	725	17	25,027	373	1,258	43,881	-	-	(71,281)	-
Total revenue	159,746	662	159,996	407	2,758	45,836	641	3,324	(71,281)	302,089
Segment results	68,264	(6,452)	9,924	(14,683)	(3,297)	(6,287)	568	(1,381)	-	46,656
Unallocated expenses										(382)
Interest income										1,179
Operating profit										47,453
Interest expense										(6,861)
Share of loss in an associate										(371)
Profit before tax										40,221
Assets and Liabilities										
	Plantation	Land clearing	Construction	Venture capital	Information technology	Investment holding	Money lending	Healthcare	Others	Consolidated
2004	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	291,424	8,065	153,077	44,591	3,511	68,596	28,464	21,717	5,043	624,488
Investment in an associate										422
Unallocated assets										48,378
Total assets										673,288
Segment liabilities	7,858	1,313	58,869	180	998	3,253	6	3,036	3	75,516
Unallocated liabilities										180,464
Total liabilities										255,980
Capital expenditure	6,715	5	1,222	112	474	464	-	8,182	-	17,174
Depreciation and amortisation	(11,152)	(2,990)	(741)	(77)	(260)	(546)	-	(594)	-	(16,360)
Non-cash expenses other than depreciation and amortisation	(1,010)	(1,438)	(1,022)	(13,693)	(7)	(12)	-	-	-	(17,182)

33. Related parties

Controlling related party relationships are as follows:

- (i) Its subsidiaries as disclosed in Note 2(c).
- (ii) The majority shareholders of the Company, Lei Lin Thai, Wong Ah Kow and Tam Kam Too through their direct and indirect shareholdings in the Company.

Significant transactions between the Company and the subsidiaries are as follows:

	Company	
	2005 RM'000	2004 RM'000
Management fee income	2,089	1,881
Subscription expenses	2,216	2,222
Interest income	2,404	2,577
Interest expense	1,663	479

Significant transactions between the Group and its related parties are as follows:

	Group	
	2005 RM'000	2004 RM'000
Significant transactions with companies in which the Directors, Lei Lin Thai, Wong Ah Kow and Tam Kam Too are Directors or have substantial financial interests:		
Rental of premises payable - Tung Hup Holdings Sdn. Bhd.	62	143
Sales of hardware and software maintenance fees - Pinsah Plantations Sdn. Bhd.	28	23
Significant transaction with a Director of the Company, Lei Lin Thai Rental payable	121	121

There are no significant outstanding balances arising from transactions other than normal trade transactions with the related parties identified above.

All related party transactions were entered into upon terms and conditions mutually agreed between the relevant parties.

34. Financial instruments

Financial risk management objectives and policies

The Directors acknowledge that the exposure to credit, interest rate, foreign currency and liquidity risks arise in the normal course of the Group and the Company's business. The Group and the Company have established policies and guidelines which set out their overall business strategies and their general risk management philosophy.

Derivative financial instruments such as futures contracts are used to reduce exposure to fluctuation in commodity prices. While these are subject to the risk of market movements, such changes are generally offset by opposite effects on the item being hedged.

At balance sheet date, the Group does not have any outstanding derivative financial instruments except as disclosed in Note 31.

34. Financial instruments (Cont'd)

Credit risk

The Group has a credit policy in place and the exposures to credit risk are monitored on an ongoing basis. Credit evaluations are required to be performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of credit extension except for certain credit extended to customers in relation to its money lending activities whereby personal guarantee and/or assignment of contracts proceeds and asset collateral are required to minimise the credit risk exposure.

Placements of surplus funds, if any, are invested into permissible investments such as deposits with licensed financial institutions, discount houses, government papers, investment grade private debt securities, investment-linked and unit trust funds. The associated credit risk is minimal for transactions involving derivative financial instruments, as these contracts are entered into with brokers of commodity exchanges to hedge against the CPO price fluctuations and the anticipated future transactions.

At balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk for the Group and for the Company is represented by the carrying amount of each financial asset.

Interest rate risk

The Group and the Company are subject to interest rate risk by virtue of their deposit placements with licensed financial institutions and the borrowings that are used to fund the business operations of the Group. The Group and the Company do not have a formal policy of hedging the interest rate risk but instead monitor this on an on-going basis.

Deposits with licensed financial institutions are placed on a short term basis on varying maturity dates. The Group and the Company in borrowing to finance their business operations, consider a mixed portfolio that comprises borrowings at variable and fixed rates. As at 31 December 2005, the Group and the Company have RM120 million Islamic debts securities outstanding which carry an annual coupon rate of 3% per annum on the outstanding balance. In addition, the Group and the Company have RM105 million private debt securities outstanding bearing interest rate ranging from 6.10% per annum to 7.00% per annum. Other outstanding borrowings of the Group and the Company bear variable interest rates ranging from 1% to 2.5% per annum above the lender banks' cost of funds or base lending rates.

Foreign currency risk

Currently the Group and the Company have limited transactions in foreign currency sales and purchases, except for certain quoted and unquoted investments that were acquired using foreign currency. The currency giving rise to this risk is primarily US dollars and GBP. The Group and the Company do not hedge these exposures by purchasing forward currency contracts.

However, the Group and the Company have a policy to hedge its foreign currency transactions, when the foreign exchange risk is assessed as high, by using forward exchange contracts.

Liquidity risk

The Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate to finance the Group's and Company's operations and to mitigate the effects of fluctuations in cash flows.

34. Financial instruments (Cont'd)*Effective interest rates and repricing analysis*

Group	2005				2004			
	Effective interest rate per annum %	Total RM'000	Within 1 year RM'000	1 - 5 years RM'000	Effective interest rate per annum %	Total RM'000	Within 1 year RM'000	1 - 5 years RM'000
Financial assets								
Term loan receivables	2.26%	29,423	22,352	7,071	2.52%	27,830	11,295	16,535
Deposits with licensed banks	2.49%	119,843	97,670	22,173	2.79%	32,776	25,789	6,987
Financial liabilities								
Term loans	5.91%	19,814	18,200	1,614	6.04%	25,964	21,200	4,764
Revolving credit	6.81%	14,500	14,500	-	6.81%	14,500	14,500	-
Bank overdrafts	7.32%	12,133	12,133	-	7.75%	1,559	1,559	-
Islamic debt securities	3.00% *	120,000	45,000	75,000	3.00% *	140,000	20,000	120,000
Private debt securities	6.60%	105,000	-	105,000	-	-	-	-
Company								
Financial assets								
Deposits with licensed banks	2.52%	85,318	74,500	10,818	2.76%	15,487	8,500	6,987
Amount due from subsidiaries (interest bearing only)	4.63%	94,565	94,565	-	3.33%	80,143	80,143	-
Financial liabilities								
Term loan	6.32%	3,000	3,000	-	6.40%	9,000	6,000	3,000
Revolving credit	6.81%	14,500	14,500	-	6.81%	14,500	14,500	-
Islamic debts securities	3.00% *	120,000	45,000	75,000	3.00% *	140,000	20,000	120,000
Amount due to subsidiaries (interest bearing only)	3.64%	56,039	56,039	-	3.70%	28,420	28,420	-
Private debt securities	6.60%	105,000	-	105,000	-	-	-	-

* Effective profit rate per annum

Fair values**Recognised financial instruments**

In respect of cash and cash equivalents, current trade and other receivables, trade and other payables and short term borrowings, the carrying amounts approximate their fair values due to the relatively short term nature of these financial instruments.

34. Financial instruments (Cont'd)

The aggregate fair values of the other financial assets and liabilities carried on the balance sheet as at 31 December are shown below:

Group	2005		2004	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets				
Quoted investments				
- Unit trust	883	1,088	382	517
- Shares in Malaysia	61	79	61	81
- Shares outside Malaysia	4,875	10,195	13,965	13,965
Unquoted investments				
- Not practical to estimate fair value	27,208	*	31,687	*
Term loan receivables - Non-current	7,071	6,970	16,535	17,527
Financial liabilities				
Term loan - Non-current	1,614	1,614	4,764	4,764
Islamic debt securities - Non-current	75,000	71,693	120,000	116,121
Private debt securities - Non-current	105,000	106,434	-	-
Company				
Financial asset				
Quoted investment				
-Unit trust	383	431	382	517
Financial liabilities				
Term loan - Non-current	-	-	3,000	3,000
Islamic debt securities - Non-current	75,000	71,693	120,000	116,121
Private debt securities - Non-current	105,000	106,434	-	-

* See item (b) below.

The principal methods and assumptions used in estimating the fair values of other investments are as follows:

(a) Quoted investment

The estimated fair value for the quoted unit trusts is based on observable market prices at the balance sheet date.

The estimated fair value of the shares quoted outside Malaysia is based on the market value at the balance sheet date.

34. Financial instruments (Cont'd)

(b) Unquoted investments

Not practical to estimate fair value

These unquoted investments consist mainly of companies involved in the biohealthcare, biotechnology, animation and innovative manufacturing and software development sectors. These investee companies are located in various countries, which comprise the United States, Korea, Singapore and Malaysia and are primarily in the development or commercialisation stage. In essence, these companies are presently involved in developing one or more technology products or development of e-commerce applications or animated series which require a gestation period before being profitable.

The Company had made these investments based, amongst others, on the following key criteria:

- Attractive and sustainable business model with strong and unique value proposition;
- Market growth potential and opportunities;
- Established and experienced management team with proven track record;
- Secured intellectual properties in the form of trademarks, patents and etc;
- Established co-investors and alliances that the investee companies have sought with other strategic investment partners; and
- Attractive investment returns.

The investments in these companies are mainly in the form of common stocks or preference shares. Depending on the structure of the investment, the preference shares held are either redeemable or non-redeemable, but are generally convertible into common stocks at the option of the holder at a pre-determined price or conversion ratio.

The Company's strategy is to exit from these investments over a three-to-five year time frame either through divestment of holdings upon the initial public offering exercise by the investee companies or through trade sales or via their merger with other established entities. Currently, the marketability of these investments is restricted to private placements amongst private equity and venture capital companies as well as strategic investors.

The Directors are of the opinion that the fair values of these unquoted investments could not be estimated with sufficient reliability using the generally accepted valuation methods such as net tangible assets, price earning multiples or discounted cash flows technique for the following reasons:

- As mentioned in preceding paragraph above, certain of the products/technology are still being developed and has not reached full commercialisation stage. As such, the current financial performance and position of these companies may not be meaningful as no or minimal revenues are being generated. At present, some of these companies continue to incur development costs and have relatively low or minimal net tangible assets.
- Although periodically the Company received status reports and management accounts, the price earning multiples method could not be used as there is inadequate historical track record (eg turnover, profit etc) for the Company to determine the fair value of the investee companies with sufficient reliability.
- Furthermore, the financial and cash flow projections provided by these investee companies are not extended enough to apply the discounted cash flow technique. As these investee companies are only expected to be profitable in the next couple of years, the reliability of these projections are henceforth subject to inherent uncertainties.
- The established valuation techniques mentioned above requires a set of assumptions such as the use of a prevailing market rate of interest that have substantially the same characteristics as the investment held by the Company, price earning ratio of similar securities or beta risk rate which are not easily obtainable by the Company without incurring excessive costs.

34. Financial instruments (Cont'd)

(c) Term loan receivables - Non-current

The fair values of the non-current term loan receivables are estimated based on discounted cash flows technique using the prevailing market rates.

(d) Term loans

The fair values of the term loans approximate their carrying amounts as the interest rates are on floating rate basis.

(e) Islamic debt securities

The estimated fair value is based on over-the-counter bid prices at the balance sheet date.

(f) Private debt securities

The estimated fair value is based on over-the-counter bid prices at the balance sheet date.

35. Employee benefits**Equity compensation benefits**

The Group offers vested share options over ordinary shares to Executive Directors and senior management whose service ranges between 0 to 5 years as provided in the By-laws. Movements in the number of share options held by employees are as follows: -

Option price	Date of grant	Number of options over ordinary shares of RM1 each			
		At 1.1.2005	Granted	Exercised	At 31.12.2005
RM1.00 per share	15.10.2004	9,529,800	-	-	9,529,800

The ESOS became effective on 28 July 2004 when the last of the requisite approvals was obtained and is valid for a period of five (5) years.

No employee share options were exercised during the year.

36. Acquisition and disposal of subsidiaries

Tung Hup (Contracting) Sdn. Bhd., had subscribed for 600 ordinary shares of RM1.00 each in Clarion Construction Sdn. Bhd. for a total cash consideration of RM600 on 4 March 2005. Tung Hup (Contracting) Sdn. Bhd. had also acquired 45 ordinary shares of RM1.00 each in Railtrax (M) Sdn. Bhd. ("Railtrax") for a cash consideration of RM45.00 and subscribed for 455 new ordinary shares of RM1.00 each in Railtrax for a cash consideration of RM455 on 31 March 2005.

On 27 June 2005, iTech Worldwide Sdn. Bhd. ("iTH") and iTech Worldwide (Consulting) Sdn. Bhd. ("iWC") had jointly established a new subsidiary, PT iTech Worldwide Indonesia ("PTI"), whereby iTH and iWC respectively subscribed for 950 and 50 ordinary shares of USD100.00 (approximately Rp948,300) each in PTI as the initial paid-up capital amounting to a total consideration of USD100,000 (approximately Rp948,300,000).

36. Acquisition and disposal of subsidiaries (Cont'd)

Asiaprise Biotech Sdn. Bhd. acquired the entire issued and paid up share capital of Asiaprise Pharmaceuticals Sdn. Bhd. on 28 July 2005, comprising 30 ordinary shares of RM1.00 each fully paid up for a total cash consideration of RM30.

On 31 July 2005, the Company further subscribed to 4,750,000 ordinary shares of RM1.00 each in iTech Worldwide Sdn. Bhd. for a cash consideration of RM4,750,000.

On 29 August 2005, Tung Hup (Contracting) Sdn. Bhd., acquired the entire issued and paid-up share capital of Eksplorasi Kiara Sdn. Bhd. comprising 2 ordinary shares of RM1.00 each fully paid up for a total cash consideration of RM2.

On 8 September 2005, the Company further subscribed to 7,404,669 ordinary shares of RM1 each in Asiaprise Biotech Sdn. Bhd. for a cash consideration of RM7,404,669.

On 28 October 2005, Tracpower Sdn. Bhd. ("TSB") and Sunshine Paradigm Sdn. Bhd. ("SSP") jointly established a new subsidiary, PT Sunshine Indonesia ("PT SSI"), whereby TSB and SSP respectively subscribed for 175,000 and 75,000 ordinary shares of USD1.00 (approximately Rp10,100) each in PT SSI as the initial paid-up capital of PT SSI, amounting to a total consideration of USD250,000 (approximately Rp2,525,000,000).

On 20 December 2005, Tung Hup (Contracting) Sdn. Bhd. transferred its entire shareholding of 500 ordinary shares of RM1.00 each in Railtrax for a cash consideration of RM500 to Hikmat Asia Sdn Bhd.

All the above acquisitions and disposal do not have a material effect on the financial position, results and cash flows of the Group.

LIST OF GROUP PROPERTIES

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SENARAI HARTANAH KUMPULAN

Location / Lokasi	Status / Hakmilik	Date of Acquisition / Revaluation / Tarikh Perolehan / Penilaian Semula	Tenure / Tempoh	Area (hectare) / Keluasan (hektar)	Description / Keterangan	Net Book Value as at 31 December 2005 / Nilai Buku Bersih pada 31 Disember 2005 RM'000
Sri Insani Plantations (Sabah) Sdn Bhd						
Ladang Pin 2 & 3 Sg. Lamag Kinabatangan Sabah	Leasehold / Pegangan pajak	29/08/2001	99 years expiring / 99 tahun tamat tempoh 2080	3,987	Cultivated with oil palm / Ditanam dengan kelapa sawit	78,219
Tung Hup Kelapa Sawit Sdn Bhd						
Ladang Pin 4, Sg. Pin Kinabatangan Sabah	Leasehold / Pegangan pajak	29/08/2001	99 years expiring / 99 tahun tamat tempoh 2077	2,023	Cultivated with oil palm / Ditanam dengan kelapa sawit	36,167
Marceda Corporation Sdn Bhd						
Dam Road Lahad Datu Sabah	Leasehold / Pegangan pajak		99 years expiring / 99 tahun tamat tempoh		Cultivated with cocoa / Ditanam dengan koko	433
		03/04/1998	- 2081	- 15		
		03/04/1998	- 2082	- 21		
Rimijaya Sdn Bhd						
Sg. Pin Kinabatangan Sabah	Leasehold / Pegangan pajak	07/07/1999	99 years expiring / 99 tahun tamat tempoh 2096	131	Cultivated with oil palm / Ditanam dengan kelapa sawit	2,056
Rimijaya Sdn Bhd						
Sg. Pin Kinabatangan Sabah	Leasehold / Pegangan pajak	18/12/2000	99 years expiring / 99 tahun tamat tempoh 2099	9	Cultivated with oil palm / Ditanam dengan kelapa sawit	100
Sekarharum Sdn Bhd						
Mile 79 Telupid Labuk-Sugut Sabah	Leasehold / Pegangan pajak	03/04/1998	99 years expiring / 99 tahun tamat tempoh 2095	96	Cultivated with oil palm / Ditanam dengan kelapa sawit	760
Tung Hup Oil Palm Mill Sdn Bhd						
Sg. Lamag Kinabatangan Sabah	Leasehold / Pegangan pajak	04/09/2001	99 years expiring / 99 tahun tamat tempoh 2080	60	Palm oil mill and labour quarters / Loji minyak sawit dan kediaman buruh	24,556

SENARAI HARTANAH KUMPULAN

Location / Lokasi	Status / Hakmilik	Date of Acquisition / Revaluation / Tarikh Perolehan / Penilaian Semula	Tenure / Tempoh	Area (hectare) / Keluasan (hektar)	Description / Keterangan	Net Book Value as at 31 December 2005 / Nilai Buku Bersih pada 31 Disember 2005 RM'000
Syarikat Tung Hup Plantations Sdn Bhd						
Segama Lahad Datu Sabah	Leasehold / Pegangan pajak	03/04/1998	99 years expiring 99 tahun tamat tempoh 2074	112	Cultivated with oil palm / Ditanam dengan kelapa sawit	1,466
Syarikat Tung Hup Plantations Sdn Bhd						
Ulu Segama Lahad Datu Sabah	Leasehold / Pegangan pajak	03/04/1998	99 years expiring / 99 tahun tamat tempoh 2075	22	Cultivated with oil palm / Ditanam dengan kelapa sawit	376
Syarikat Tung Hup Plantations Sdn Bhd						
Mile 13 Sandakan- Lahad Datu Highway Sabah	Leasehold / Pegangan pajak	03/04/1998	99 years expiring / 99 tahun tamat tempoh 2075	51	Cultivated with oil palm / Ditanam dengan kelapa sawit	1,252
Syarikat Tung Hup Plantations Sdn Bhd						
Kg Kenangan Segama Lahad Datu Sabah	Leasehold / Pegangan pajak	03/04/1998	99 years expiring / 99 tahun tamat tempoh 2066	8	Cultivated with oil palm / Ditanam dengan kelapa sawit	561
Syarikat Tung Hup Plantations Sdn Bhd						
Mile 2, Dam Road Lahad Datu Sabah	Leasehold / Pegangan pajak	08/10/1998	999 years expiring / 99 tahun tamat tempoh 2912	0.2	Homestead land with a bungalow / Tanah rumah ladang dengan banglo dan kediaman kakitangan	269

LIST OF GROUP PROPERTIES

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SENARAI HARTANAH KUMPULAN

(b) Industrial Properties / Hartanah Industri

Location / Lokasi	Status / Hakmilik	Tenure / Tempoh	Land area (sq m) / Keluasan Tanah (m per)	Existing Usage / Kegunaan Semasa	Approximate Age of Buildings (year) / Anggaran Usia Bangunan (tahun)	Net Book Value as at 31 December 2005 / Nilai Buku Bersih pada 31 Disember 2005 RM'000
Syarikat Tawasa Sdn Bhd						
Lot 2 - 5, Block C Bandar Fajar Phase I, Leila Road Sandakan, Sabah	Leasehold / Pegangan pajak	Sub-division of title not available yet / Pembahagian hakmilik masih tidak diketahui	151	4 units of 3-storey shop office building / 4 unit bangunan kedai pejabat 3 tingkat	4	2,103

(c) Commercial Property / Hartanah Komersil**TH Group Berhad**

Cyberjaya	Freehold / Pegangan bebas	N/A / Tidak dikenakan	5,453	3-storey office complex / Kompleks pejabat 3 tingkat	3	17,772
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(d) Land for Property Development / Tanah untuk Pembangunan Hartanah**Suria Semerah Sdn Bhd**

Alor Setar	Freehold / Pegangan bebas	N/A / Tidak dikenakan	0.2727 Hectar / Hektar	Dormant / Dorman	17 October 2002 / 17 Oktober 2002	5,043
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(e) Medical Institute / Institut Kesihatan**Asiaprise Biotech Sdn Bhd**

Bandar Baru Nilai	Freehold / Pegangan bebas	N/A / Tidak dikenakan	40,468	1. 2 storey medical center / Pusat kesihatan 2 tingkat	8 years / 8 tahun	7,521
				2. 4 storey medical center / Pusat kesihatan 4 tingkat	< 1 year / < 1 tahun	23,740

ANALYSIS OF SHAREHOLDINGS AS AT 10 APRIL 2006

ANALISIS PEGANGAN SAHAM PADA 10 APRIL 2006

Authorised Share Capital / Modal Saham Dibenarkan	: RM600,000,000
Issued and Paid-up Capital / Modal Terbitan dan Berbayar	: RM386,551,340
Class of Shares / Kelas Saham	: Ordinary shares of RM1.00 each / Saham Biasa bernilai RM1.00 setiap satu
Voting Rights / Hak Undi	: One vote per ordinary share / Satu undi bagi setiap saham biasa

Category / Kategori	No. of Shareholders / Jumlah Pemegang Saham	% of Shareholders / Pemegang Saham	No. of Shares Held / Jumlah Saham Dipegang	% of Shareholding / Pegangan Saham
1 to / hingga 1,000	5,397	33.61	5,095,054	1.32
1,001 to / hingga 10,000	8,788	54.72	37,058,393	9.59
10,001 to / hingga 100,000	1,730	10.77	47,747,332	12.35
100,001 to less than 5% / hingga kurang daripada 5%	140	0.87	112,757,914	29.17
5 % and above / dan ke atas	4	0.02	183,892,647	47.57
Total / Jumlah	16,059	100.00	386,551,340	100.00

LIST OF DIRECTORS' SHAREHOLDINGS AS AT 10 APRIL 2006 /
SENARAI PEGANGAN SAHAM PENGARAH PADA 10 APRIL 2006

Name / Nama	No of Shares / Jumlah Saham			
	Direct / Langsung	%	Indirect / Tidak Langsung	%
1 LEI LIN THAI	89,147,804	23.06	74,037,242 *	19.15
2 WONG AH KOW	23,640,386	6.12	72,082,052 +	18.64
3 TAM KAM TOO	12,769,607	3.31	593,074 #	0.15
4 MICHAEL TING SII CHING	-	-	-	-
5 ABU BAKAR BIN ABDUL KARIM	-	-	-	-
6 ROHANA TAN SRI MAHMUD	-	-	-	-
7 WONG CHEE BENG	-	-	-	-

* Deemed substantial interest through Linta Holdings Sdn Bhd and Tung Hup Holdings Sdn Bhd / Dianggap sebagai mempunyai kepentingan utama melalui Linta Holdings Sdn Bhd dan Tung Hup Holdings Sdn Bhd

+ Deemed substantial interest through See Chuan Holdings Sdn Bhd and Tung Hup Holdings Sdn Bhd / Dianggap sebagai mempunyai kepentingan utama melalui See Chuan Holdings Sdn Bhd dan Tung Hup Holdings Sdn Bhd

Deemed substantial interest through Kam Joo Holdings Sdn Bhd. Direct shareholding included shares held by CIMSEC Nominees (Tempatan) Sdn Bhd / Dianggap sebagai mempunyai kepentingan utama melalui Kam Joo Holdings Sdn Bhd. Pegangan langsung termasuk saham dipegang oleh CIMSEC Nominees (Tempatan) Sdn Bhd

SUBSTANTIAL SHAREHOLDERS AS AT 10 APRIL 2006 /
PEGANGAN SAHAM TERBESAR PADA 10 APRIL 2006

Name / Nama	No of Shares / Jumlah Saham			
	Direct / Langsung	%	Indirect / Tidak Langsung	%
1. LEI LIN THAI	89,147,804	23.06	74,037,242 *	19.15
2 TUNG HUP HOLDINGS SDN BHD	71,104,457 ^	18.39	-	-
3 WONG AH KOW	23,640,386	6.12	72,082,052 +	18.64
4 LINTA HOLDINGS SDN BHD	2,932,785	0.76	71,104,457 #	18.39
5 SEE CHUAN HOLDINGS SDN BHD	977,595	0.25	71,104,457 #	18.39
6 SIEW KIM KEE	-	-	72,082,052 +	18.64

* Deemed substantial interest through Linta Holdings Sdn Bhd and Tung Hup Holdings Sdn Bhd / Dianggap sebagai mempunyai kepentingan utama melalui Linta Holdings Sdn Bhd and Tung Hup Holdings Sdn Bhd

+ Deemed substantial interest through See Chuan Holdings Sdn Bhd and Tung Hup Holdings Sdn Bhd / Dianggap sebagai mempunyai kepentingan utama melalui See Chuan Holdings Sdn Bhd and Tung Hup Holdings Sdn Bhd

Deemed substantial interest through Tung Hup Holdings Sdn Bhd / Dianggap sebagai mempunyai kepentingan utama melalui Tung Hup Holdings Sdn Bhd

^ Direct shareholding included shares held by CIMSEC Nominees (Tempatan) Sdn Bhd / Pegangan langsung termasuk saham dipegang oleh CIMSEC Nominees (Tempatan) Sdn Bhd

LIST OF TOP THIRTY (30) LARGEST SHAREHOLDERS AS AT 10 APRIL 2006

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SENARAI TIGA PULUH (30) PEMEGANG SAHAM TERBESAR PADA 10 APRIL 2006

No.	Names / Nama	Shares / Saham	%
1	LEI LIN THAI *	89,147,804	23.06
2	CIMSEC NOMINEES (TEMPATAN) SDN BHD * TUNG HUP HOLDINGS SDN BHD	38,655,000	10.00
3	TUNG HUP HOLDINGS SDN BHD *	32,449,457	8.39
4	WONG AH KOW *	23,640,386	6.12
5	TAN KIM SZE	12,345,097	3.19
6	TOH CHIN CHONG	11,545,404	2.99
7	TAM KAM TOO	9,420,140	2.44
8	LEONG ON	5,024,200	1.30
9	PK RESOURCES BHD	4,496,202	1.16
10	EMERALD ARENA SDN BHD	4,000,000	1.03
11	PANGKAT MAJU SDN BHD	3,733,800	0.97
12	CHIN KIM LIN	3,617,434	0.94
13	CIMSEC NOMINEES (TEMPATAN) SDN BHD TAM KAM TOO	3,349,467	0.87
14	WONG CHIUN WEN	3,060,000	0.79
15	LINTA HOLDINGS SDN BHD	2,932,785	0.76
16	LEONG KONG FEE	2,923,097	0.76
17	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG SHEK KIM	2,580,216	0.67
18	LEONG CHIN KAM	2,546,000	0.66
19	LEONG KONG SENG	2,054,000	0.53
20	WONG CHIUN CHIAN	2,040,000	0.53
21	NG TEN SONG @ NG SZIT CHONG	2,023,993	0.52
22	CIMSEC NOMINEES (ASING) SDN BHD MARK CHRISTOPHER	2,013,200	0.52
23	CIMSEC NOMINEES (TEMPATAN) SDN BHD NG TEN SONG @ NG SZIT CHONG	1,674,734	0.43
24	NG SAK TUN	1,587,616	0.41
25	MAYBAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG SAK TUN	1,500,000	0.39
26	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DFA EMERGING MARKETS FUND	1,014,100	0.26
27	SEE CHUAN HOLDINGS SDN BHD	977,595	0.25
28	NG AH LOY	824,916	0.21
29	NG KON CHANG	680,016	0.18
30	WISDOM CONSOLIDATED SDN BHD	651,730	0.17

* SUBSTANTIAL SHAREHOLDERS /
PEGANGAN SAHAM TERBESAR

ANALYSIS OF WARRANTHOLDINGS AS AT 10 APRIL 2006

ANALISIS PEGANGAN WARAN PADA 10 APRIL 2006

No. of 2004/2007 Warrants / Bilangan Waran pada 2002/2007	: 142,462,363 outstanding / tertunggak
Exercise Price / Harga Pelaksanaan	: RM1.25
Expiry Date / Tarikh Luput	: 31 January / 31 Januari 2007

Exercise Rights: The warrants are in registered form and constituted by a deed poll and entitle the registered holders to subscribe for one (1) ordinary share of RM1.00 each in the Company at a price of RM1.25 per ordinary share for every warrant held subject to adjustments in accordance with the deed poll.

Kelayakan Pelaksanaan: Waran adalah di dalam bentuk borang berdaftar yang mengandungi tarikh tamat undian dan yang membolehkan pemegang berdaftar untuk melanggan satu (1) saham biasa yang bernilai RM1.00 setiap satu di dalam Syarikat pada harga RM1.25 setiap satu saham biasa bagi setiap waran yang dipegang tertakhluk kepada perubahan menurut tarikh tamat undian.

Category / Kategori	No. of Warrantholders / Jumlah Pemegang Waran	% of Warrantholders / Pemegang Waran	No. of Warrants Held / Jumlah Waran Dipegang	% of Warrantholding / Pegangan Waran
1 to 1,000	1,502	28.59	1,415,032	0.99
1,001 to 10,000	2,758	52.50	11,122,000	7.81
10,001 to 100,000	886	16.87	30,072,800	21.11
100,001 to less than 5% hingga kurang daripada 5%	105	2.00	49,390,131	34.67
5 % and above / dan ke atas	2	0.04	50,462,400	35.42
Total / Jumlah	5,253	100.00	142,462,363	100.00

LIST OF DIRECTORS' WARRANTHOLDINGS AS AT 10 APRIL 2006 /
SENARAI PEGANGAN WARAN PENGARAH PADA 10 APRIL 2006

Name / Nama	No of Warrants / Jumlah Waran			
	Direct / Langsung	%	Indirect / Tidak Langsung	%
1 LEI LIN THAI	49,156,000	34.50	23,174,000 *	16.26
2 WONG AH KOW	305,400	0.21	22,114,000 +	15.52
3 TAM KAM TOO	1,001,000	0.70	238,000 #	0.17
4 MICHAEL TING SII CHING	-	-	-	-
5 ABU BAKAR BIN ABDUL KARIM	-	-	-	-
6 ROHANA TAN SRI MAHMUD	-	-	-	-
7 WONG CHEE BENG	-	-	-	-

* Deemed substantial interest through Linta Holdings Sdn Bhd and Tung Hup Holdings Sdn Bhd / Dianggap sebagai mempunyai kepentingan utama melalui Linta Holdings Sdn Bhd dan Tung Hup Holdings Sdn Bhd

+ Deemed substantial interest through See Chuan Holdings Sdn Bhd and Tung Hup Holdings Sdn Bhd / Dianggap sebagai mempunyai kepentingan utama melalui See Chuan Holdings Sdn Bhd dan Tung Hup Holdings Sdn Bhd

Deemed substantial interest through Kam Joo Holdings Sdn Bhd / Dianggap sebagai mempunyai kepentingan utama melalui Kam Joo Holdings Sdn Bhd

SUBSTANTIAL WARRANTHOLDERS AS AT 10 APRIL 2006 /
PEGANGAN WARAN TERBESAR PADA 10 APRIL 2006

Name / Nama	No of Warrants / Jumlah Waran			
	Direct / Langsung	%	Indirect / Tidak Langsung	%
1. LEI LIN THAI	49,156,000	34.50	23,174,000 *	16.26
2. TUNG HUP HOLDINGS SDN BD	22,000,000	15.44	-	-
3. WONG AH KOW	305,400	0.21	22,114,000 +	15.52
4. LINTA HOLDINGS SDN BHD	1,174,000	0.82	22,000,000 #	15.44
5. SEE CHUAN HOLDINGS SDN BHD	114,000	0.08	22,000,000 #	15.44
6. SIEW KIM KEE	-	-	22,114,000 +	15.52

* Deemed substantial interest through Linta Holdings Sdn Bhd and Tung Hup Holdings Sdn Bhd / Dianggap sebagai mempunyai kepentingan utama melalui Linta Holdings Sdn Bhd dan Tung Hup Holdings Sdn Bhd

+ Deemed substantial interest through See Chuan Holdings Sdn Bhd and Tung Hup Holdings Sdn Bhd / Dianggap sebagai mempunyai kepentingan utama melalui See Chuan Holdings Sdn Bhd dan Tung Hup Holdings Sdn Bhd

Deemed substantial interest through Tung Hup Holdings Sdn Bhd / Dianggap sebagai mempunyai kepentingan utama melalui Tung Hup Holdings Sdn Bhd

LIST OF TOP THIRTY (30) LARGEST WARRANTHOLDERS AS AT 10 APRIL 2006

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SENARAI TIGA PULUH (30) PEMEGANG WARAN TERBESAR PADA 10 APRIL 2006

No.	Names / Nama	Shares / Saham	%
1	LEI LIN THAI *	49,156,000	34.50
2	TUNG HUP HOLDINGS SDN BHD *	22,000,000	15.44
3	NG TEN SONG @ NG SZIT CHONG	2,009,680	1.41
4	WONG CHIUN WEN	1,500,000	1.05
5	LINTA HOLDINGS SDN BHD	1,174,000	0.82
6	TAM KAM TOO	1,001,000	0.70
7	MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUAH AI NGOR	739,300	0.52
8	LEONG ON	700,000	0.49
9	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE GWEK CHENG	655,900	0.46
10	LIM KAH ENG	595,100	0.42
11	SUSIE CHAI LEE SU	530,000	0.37
12	GOH LEONG CHUAN	500,000	0.35
13	SOR AH KEE	498,000	0.35
14	HDM NOMINEES (TEMPATAN) SDN BHD WONG TAK PENG (M02)	484,600	0.34
15	RC NOMINEES (TEMPATAN) SDN BHD LEI SOO FONG (SBB SDK)	455,000	0.32
16	ABDUL RAHMAN BIN ABU BAKAR	430,300	0.30
17	TAH CHUNG KEONG	400,000	0.28
18	LIM SIONG BIAN	398,000	0.28
19	YII LEH KIEW	390,000	0.27
20	FOTO EKONOLAB (K K) SDN BHD	385,000	0.27
21	YIP YUEN YU	377,000	0.26
22	NG SAK TUN	365,351	0.26
23	SOO SIEW SENG	335,500	0.24
24	LAU YEW FOO	335,000	0.24
25	WONG JOON MOI	313,000	0.22
26	WONG AH KOW	305,400	0.21
27	LEE SING HIN	300,000	0.21
28	MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD HENG YONG LAI (STF)	300,000	0.21
29	OOI SOW TECK @ OOI SOON TEIK	300,000	0.21
30	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW AIMAN	280,000	0.20

* SUBSTANTIAL WARRANTHOLDERS /
PEMEGANG WARAN TERBESAR

NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting of the Company will be held at Berjaya Hall, Bukit Kiara Equestrian and Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 1 June 2006 at 10:00 a.m. for the following purposes:-

AGENDA

- | | |
|--|---------------------|
| 1. To receive the Directors' Report and the Audited Financial Statements for the financial year ended 31 December 2005 together with the Auditors' Report thereon. | Resolution 1 |
| 2. To approve the declaration of a final dividend of 2% less 28% income tax for the financial year ended 31 December 2005. | Resolution 2 |
| 3. To sanction the payment of Directors' Fees for the financial year ended 31 December 2005. | Resolution 3 |
| 4. To re-elect the following Directors who shall retire pursuant to Article 63A of the Company's Articles of Association:- | |
| i) Abu Bakar Bin Abdul Karim | Resolution 4 |
| ii) Tam Kam Too | Resolution 5 |
| iii) Michael Ting Sii Ching | Resolution 6 |
| iv) Rohana Tan Sri Mahmood | Resolution 7 |
| 5. To re-elect Wong Chee Beng who shall retire pursuant to Article 68 of the Company's Articles of Association. | Resolution 8 |
| 6. To re-appoint Messrs. KPMG as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. | Resolution 9 |

As Special Business:-

7. To consider and if thought fit, to pass the following resolutions:-

Ordinary Resolution 1

- Authority to allot shares pursuant to Section 132D of the Companies Act, 1965

Resolution 10

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution 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 of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company, subject always to the Companies Act, 1965, the Articles of Association of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issue."

Ordinary Resolution 2

- Proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature for TH Group's day to day operations entered into with Tung Hup Holdings Sdn Bhd, a major shareholder of the Company, and its subsidiaries, pursuant to Paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

Resolution 11

"THAT pursuant to Paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad, the Company and/or its subsidiaries be and are hereby authorised to enter into and give effect to recurrent related party transactions of a revenue and trading nature with Tung Hup Holdings Sdn Bhd, a major shareholder of the Company, and its subsidiaries, as set out in Section 2.2 of the Circular to Shareholders dated 10 May 2006, provided that such transactions are necessary for the day-to-day operations and undertaken in the ordinary course of business and at arm's length basis and on normal commercial terms which are not more favourable to the related party than those generally available to the public and not prejudicial to the shareholders of the Company AND THAT such approval, unless revoked or varied by the Company in general meeting, shall continue in force until:-"

- (a) *the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed;*
- (b) *the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or*
- (c) *revoked or varied by resolution passed by the shareholders in a general meeting;*

whichever is earlier."

Ordinary Resolution 3

- Proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature for TH Group's day to day operations entered into with Lei Lin Thai, a director of the Company, and Linta Holdings Sdn Bhd, a shareholder of the Company and person(s) connected to Lei Lin Thai, pursuant to Paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

Resolution 12

"THAT pursuant to Paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad, the Company and/or its subsidiaries be and are hereby authorised to enter into and give effect to recurrent related party transactions of a revenue and trading nature with Lei Lin Thai, a director of the Company, and Linta Holdings Sdn Bhd, a shareholder of the company and person(s) connected to Lei Lin Thai, as set out in Section 2.2 of the Circular to Shareholders dated 10 May 2006, provided that such transactions are necessary for the day-to-day operations and undertaken in the ordinary course of business and at arm's length basis and on normal commercial terms which are not more favourable to the related party than those generally available to the public and not prejudicial to the shareholders of the Company AND THAT such approval, unless revoked or varied by the Company in general meeting, shall continue in force until:-

- (a) *the conclusion of the next AGM of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed;*
- (b) *the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or*
- (c) *revoked or varied by resolution passed by the shareholders in a general meeting;*

whichever is earlier."

Ordinary Resolution 4

- Proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature for TH Group's day to day operations entered into with Rohana Tan Sri Mahmood, an independent non-executive director of the Company, and person(s) connected to her, pursuant to Paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

Resolution 13

"THAT pursuant to Paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad, the Company and/or its subsidiaries be and are hereby authorised to enter into and give effect to recurrent related party transactions of a revenue and trading nature with Rohana Tan Sri Mahmood, an independent non-executive director of the Company, and person(s) connected to her, as set out in Section 2.2 of the Circular to Shareholders dated 10 May 2006, provided that such transactions are necessary for the day-to-day operations and undertaken in the ordinary course of business and at arm's length basis and on normal commercial terms which are not more favourable to the related party than those generally available to the public and not prejudicial to the shareholders of the Company AND THAT such approval, unless revoked or varied by the Company in general meeting, shall continue in force until:-

- (a) *the conclusion of the next AGM of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed;*
- (b) *the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or*
- (c) *revoked or varied by resolution passed by the shareholders in a general meeting;*

whichever is earlier."

Ordinary Resolution 5

- Proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature for TH Group's day to day operations entered into with Dr. Selvaratnam a/l Govindaraju, a director of Asiaprise Biotech Sdn. Bhd. (a wholly owned subsidiary of the Company), pursuant to Paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

Resolution 14

"THAT pursuant to Paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad, the Company and/or its subsidiaries be and are hereby authorised to enter into and give effect to recurrent related party transactions of a revenue and trading nature with Dr. Selvaratnam a/l Govindaraju, a director of Asiaprise Biotech Sdn. Bhd. (a wholly owned subsidiary of the Company), as set out in Section 2.2 of the Circular to Shareholders dated 10 May 2006, provided that such transactions are necessary for the day-to-day operations and undertaken in the ordinary course of business and at arm's length basis and on normal commercial terms which are not more favourable to the related party than those generally available to the public and not prejudicial to the shareholders of the Company AND THAT such approval, unless revoked or varied by the Company in general meeting, shall continue in force until:-

- (a) *the conclusion of the next AGM of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed;*
- (b) *the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or*
- (c) *revoked or varied by resolution passed by the shareholders in a general meeting;*

whichever is earlier."

Ordinary Resolution 6

- Approval for Ex-Gratia Payment of RM1.0 Million

Resolution 15

"THAT approval be and is hereby given to the Company to grant an ex-gratia payment of RM1.0 million to Mr. Wong Ah Kow for his long service as the Managing Director of Tracpower Sdn. Bhd., a wholly owned subsidiary of the Company following the closure of Tracpower Sdn. Bhd.'s Tawau administrative office".

8. To transact any other ordinary business of which due notice has been given in accordance with the Companies Act, 1965.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that the Final Dividend of 2% less 28% income tax will be payable on 23 August 2006 to depositors who are registered in the Record of Depositors at the close of business on 1 August 2006 if approved by members at the Seventeenth Annual General Meeting on 1 June 2006.

A Depositor shall qualify for entitlement only in respect of:-

- a. Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 1 August 2006 in respect of ordinary transfers; and
- b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

LIM YEW HEANG (MAICSA 7007653)
CHAN YEE KIAW (MAICSA 7012253)
Company Secretaries

Kuala Lumpur
10 May 2006

Explanatory Notes To Special Business:

1. The Company and its subsidiaries ("the Group") may pursue business opportunities in prospective areas so as to broaden the operation base and earnings potential of the Group as well as to reduce the Group's borrowings. Such plans may require the issue of new shares not exceeding 10 per centum of the Company's issued share capital. With the passing of the Ordinary Resolution No. 1 mentioned above by the shareholders of the Company at the forthcoming Annual General Meeting, the Directors would avoid delay and cost of convening further general meetings to approve issue of such shares for such purposes.
2. The Shareholders' Mandate under Ordinary Resolutions No. 2, No. 3, No. 4 and No. 5 were intended to facilitate transactions in the normal course of business of the Company and its subsidiaries ("the Group") which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis and on the Group's normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

By obtaining the Shareholders' Mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

3. The proposed Ordinary Resolution No. 6 is a token of appreciation for Mr. Wong Ah Kow, for his long service as the Managing Director of Tracpower Sdn. Bhd., a wholly owned subsidiary of the Company following the closure of Tracpower Sdn. Bhd.'s Tawau administrative office.

Notes:-

1. A member entitled to attend and vote at the Meeting is entitled to appoint another person to attend and vote in his stead.
2. A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without limitation and the provision of Section 149(1)(b) of the Act shall not apply to the Company.
3. A holder may appoint more than two proxies to attend at the same meeting. Where a holder appoints two or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or in the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of an officer or attorney duly authorised in that behalf.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time fixed for holding the meeting or at any adjournment thereof.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

The Directors standing for re-election at the Seventeenth Annual General Meeting of the Company to be held at Berjaya Hall, Bukit Kiara Equestrian and Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 1 June 2006 at 10:00 a.m. are as follows:-

Name of Director	Details of Attendance at Board Meeting	Details of Individual Director and Other Disclosure Requirements
Abu Bakar Bin Abdul Karim <i>(Article 63A of the Company's Articles of Association)</i>	Refer to page 48 of the Annual Report	Refer to page 10 of the Annual Report
Tam Kam Too <i>(Article 63A of the Company's Articles of Association)</i>	Refer to page 48 of the Annual Report	Refer to page 10 of the Annual Report
Michael Ting Sii Ching <i>(Article 63A of the Company's Articles of Association)</i>	Refer to page 48 of the Annual Report	Refer to page 11 of the Annual Report
Rohana Tan Sri Mahmood <i>(Article 63A of the Company's Articles of Association)</i>	Refer to page 48 of the Annual Report	Refer to pages 10 and 71 of the Annual Report
Wong Chee Beng <i>(Article 63A of the Company's Articles of Association)</i>	Refer to page 48 of the Annual Report	Refer to page 11 of the Annual Report

NOTIS DIBERIKAN bahawa Mesyuarat Agung Tahunan Syarikat yang ke-tujuh belas akan diadakan di Berjaya Hall, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur pada Khamis, 1 Jun 2006 pukul 10.00 pagi untuk tujuan-tujuan berikut:

AGENDA

- | | |
|---|-------------------|
| 1. Untuk menerima Laporan Pengarah dan Penyata Kewangan Diaudit bagi tahun kewangan berakhir 31 Disember 2005 bersama dengan Laporan Juruaudit dan seterusnya. | Resolusi 1 |
| 2. Untuk meluluskan pengumuman dividen akhir sebanyak 2% ditolak cukai pendapatan sebanyak 28% bagi tahun kewangan berakhir 31 Disember 2005. | Resolusi 2 |
| 3. Untuk meluluskan pembayaran Yuran Pengarah bagi tahun kewangan berakhir 31 Disember 2005. | Resolusi 3 |
| 4. Untuk melantik semula Pengarah-pengarah tersebut yang akan bersara menurut Artikel 63A Tataurusan Persatuan Syarikat. | |
| i) Abu Bakar Bin Abdul Karim | Resolusi 4 |
| ii) Tam Kam Too | Resolusi 5 |
| iii) Michael Ting Sii Ching | Resolusi 6 |
| iv) Rohana Tan Sri Mahmood | Resolusi 7 |
| 5. Untuk melantik semula Wong Chee Beng yang akan bersara menurut Artikel 68 Tataurusan Persatuan Syarikat. | Resolusi 8 |
| 6. Untuk melantik semula Tetuan KPMG sebagai Juruaudit Syarikat sehingga tamat Mesyuarat Agung Tahunan yang berikutnya dan memberi kuasa kepada Para Pengarah untuk menetapkan ganjaran mereka. | Resolusi 9 |

Sebagai Urusan Khas:-

7. Untuk mempertimbangkan dan jika difikirkan wajar, meluluskan Resolusi berikut:-

Resolusi Biasa 1

- Kuasa untuk memperuntukkan saham menurut Seksyen 132D Akta Syarikat, 1965

Resolusi 10

"BAHAWA tertakluk kepada Seksyen 132D Akta Syarikat, 1965, para Pengarah dengan ini diberi kuasa untuk menerbitkan dan memperuntukkan saham-saham Syarikat, pada bila-bila masa dengan terma-terma dan syarat-syarat tertentu bagi tujuan-tujuan tertentu yang difikirkan sesuai oleh Pengarah-pengarah, mengikut budi bicara mereka sepenuhnya, dengan syarat bahawa jumlah agregat saham menurut Resolusi ini tidak melebihi 10% daripada modal saham terbitan Syarikat buat masa ini dan Pengarah-pengarah juga diberi kuasa untuk mendapatkan kelulusan untuk saham-saham tambahan yang diterbitkan di Bursa Malaysia Securities Berhad bagi penyenaian dan sebut harga bagi saham-saham tambahan yang diterbitkan dan pihak yang telah diberi kuasa ini akan meneruskan tanggungjawabnya sehingga tamat Mesyuarat Agung Tahunan Syarikat yang berikutnya, dan sentiasa tertakluk kepada Akta Syarikat, 1965, Tataurusan Persatuan Syarikat dan kelulusan yang telah diperolehi bagi pihak-pihak berkuasa yang berkaitan bagi menawar dan memperuntukkan saham mengenainya."

Resolusi Biasa 2

- Pembaharuan semula mandat pemegang-pemegang saham seperti yang telah dicadangkan bagi transaksi pihak berkaitan bagi pendapatan dan kedudukan dagangan bagi operasi harian TH Group yang telah dilancarkan dengan Tung Hup Holdings Sdn Bhd, pemegang saham utama Syarikat dan syarikat-syarikat subsidiarinya, menurut perenggan 10.09 keperluan Penyenaian Bursa Malaysia Securities Berhad.

Resolusi 11

"BAHAWA tertakluk kepada Perenggan 10.09 Keperluan Penyeneraian Bursa Malaysia Securities Berhad, Syarikat dan/atau syarikat-syarikat subsidiarinya dan dengan ini diberi kuasa untuk menyertai sebarang transaksi dengan pihak berkaitan bagi pendapatan dan kedudukan dagangan dengan Tung Hup Holdings Sdn Bhd, pemegang saham utama Syarikat dan syarikat-syarikat subsidiarinya, seperti yang telah dinyatakan di dalam Seksyen 2.2 Surat Pekeliling Pemegang-pemegang Saham yang bertarikh 10 Mei 2006, dengan syarat bahawa transaksi-transaksi tersebut adalah perlu di dalam operasi harian dan dijalankan di dalam urusan perniagaan biasa dan di dalam jangkauan dan di bawah terma-terma komersial biasa di mana ianya tidak melebihi kepada pihak berkaitan berbanding kepada awam dan tiada diskriminasi terhadap pemegang-pemegang saham Syarikat DAN BAHAWA kelulusan mengenainya, ditarik balik atau diubah oleh Syarikat di mesyuarat agung, akan terus berkuatkuasa sehingga:-

- (a) keputusan Mesyuarat Agung Tahunan Syarikat ("AGM") yang akan datang selepas AGM ini di mana mandat telah diluluskan, pada satu tarikh ia akan luput, melainkan menurut Resolusi yang telah diluluskan pada AGM mengenainya di mana kuasa telah diperbaharui semula;*
- (b) tamat jangkamasa AGM Syarikat yang berikutnya selepas tarikh ia wajib dikendalikan menurut Seksyen 143(1) Akta Syarikat, 1965 ("Act") (tetapi tidak boleh dilanjutkan sehingga satu tempoh lanjutan sebagaimana yang dibolehkan menurut Seksyen 143(2) Akta tersebut); atau*
- (c) ditarik balik atau diubah oleh resolusi yang telah diluluskan oleh pemegang-pemegang saham di dalam mesyuarat agung; -*

yang mana terdahulu."

Resolusi Biasa 3

- Pembaharuan semula mandat pemegang-pemegang saham seperti yang telah dicadangkan bagi transaksi pihak berkaitan bagi pendapatan dan kedudukan dagangan bagi operasi harian TH Group yang telah dilaksanakan dengan En. Lei Lin Thai, seorang pengarah Syarikat, dan Linta Holdings Sdn Bhd, pemegang saham Syarikat dan mempunyai hubungan dengan beliau, tertakluk kepada perenggan 10.09 keperluan penyeneraian Bursa Malaysia Securities Berhad.

Resolusi 12

"BAHAWA tertakluk kepada Perenggan 10.09 Keperluan Penyeneraian Bursa Malaysia Securities Berhad, Syarikat dan/atau syarikat-syarikat subsidiarinya dan dengan ini diberi kuasa untuk menyertai sebarang transaksi dengan pihak berkaitan bagi pendapatan dan kedudukan dagangan dengan En. Lei Lin Thai, seorang pengarah Syarikat, dan Linta Holdings Sdn Bhd, pemegang saham Syarikat dan mempunyai hubungan dengan Lei Lin Thai, seperti yang telah dinyatakan di dalam Seksyen 2.2 Surat Pekeliling Pemegang-pemegang Saham yang bertarikh 10 Mei 2006, dengan syarat bahawa transaksi-transaksi tersebut adalah perlu di dalam operasi harian dan dijalankan di dalam urusan perniagaan biasa dan di dalam jangkauan dan di bawah terma-terma komersial biasa di mana ianya tidak melebihi kepada pihak berkaitan berbanding kepada awam dan tiada diskriminasi terhadap pemegang-pemegang saham Syarikat DAN BAHAWA kelulusan mengenainya, ditarik balik atau diubah oleh Syarikat di Mesyuarat Agung, akan terus berkuatkuasa sehingga:-

- (a) keputusan AGM Syarikat yang akan datang selepas AGM ini di mana mandat telah diluluskan, pada satu tarikh ia akan luput, melainkan menurut Resolusi yang telah diluluskan pada AGM mengenainya di mana kuasa telah diperbaharui semula;*
- (b) tamat jangkamasa AGM Syarikat yang berikutnya selepas tarikh ia wajib dikendalikan menurut Seksyen 143(1) Akta Syarikat, 1965 ("Act") (tetapi tidak boleh dilanjutkan sehingga satu tempoh lanjutan sebagaimana yang dibolehkan menurut Seksyen 143(2) Akta tersebut); atau*

(c) ditarik balik atau diubah oleh Resolusi yang telah diluluskan oleh pemegang-pemegang saham di dalam mesyuarat agung;

yang mana terdahulu."

Resolusi Biasa 4

- Pembaharuan semula mandat pemegang-pemegang saham seperti yang telah dicadangkan bagi transaksi pihak berkaitan bagi pendapatan dan kedudukan dagangan bagi operasi harian TH Group yang telah dilaksanakan dengan Rohana Tan Sri Mahmood, seorang pengarah bebas bukan eksekutif Syarikat, dan seorang yang mempunyai hubungan dengan beliau, tertakluk kepada perenggan 10.09 keperluan penyenaian Bursa Malaysia Securities Berhad.

Resolusi 13

"BAHAWA tertakluk kepada Perenggan 10.09 Keperluan Penyenaian Bursa Malaysia Securities Berhad, Syarikat dan/atau syarikat-syarikat subsidiarinya dan dengan ini diberi kuasa untuk menyertai sebarang transaksi dengan pihak berkaitan bagi pendapatan dan kedudukan dagangan dengan Rohana Tan Sri Mahmood, seorang pengarah bebas bukan eksekutif Syarikat, dan seorang yang mempunyai hubungan dengan beliau, seperti yang telah dinyatakan di dalam Seksyen 2.2 Surat Pekeliling Pemegang-pemegang Saham yang bertarikh 10 Mei 2006, dengan syarat bahawa transaksi-transaksi tersebut adalah perlu di dalam operasi harian dan dijalankan di dalam urusan perniagaan biasa dan di dalam jangkauan dan di bawah terma-terma komersial biasa di mana ianya tidak melebihi kepada pihak berkaitan berbanding kepada awam dan tiada diskriminasi terhadap pemegang-pemegang saham Syarikat DAN BAHAWA kelulusan mengenainya, ditarik balik atau diubah oleh Syarikat di Mesyuarat Agung, akan terus berkuatkuasa sehingga:-

(a) keputusan AGM Syarikat yang akan datang selepas AGM ini di mana mandat telah diluluskan, pada satu tarikh ia akan luput, melainkan menurut Resolusi yang telah diluluskan pada AGM mengenainya di mana kuasa telah diperbaharui semula;

(b) tamat jangkamasa AGM Syarikat yang berikutnya selepas tarikh ia wajib dikendalikan menurut Seksyen 143(1) Akta Syarikat, 1965 ["Act"] (tetapi tidak boleh dilanjutkan sehingga satu tempoh lanjutan sebagaimana yang dibolehkan menurut Seksyen 143(2) Akta tersebut; atau

(c) ditarik balik atau diubah oleh resolusi yang telah diluluskan oleh pemegang-pemegang saham di dalam mesyuarat agung;

yang mana terdahulu."

Resolusi Biasa 5

- Pembaharuan semula mandat pemegang-pemegang saham seperti yang telah dicadangkan bagi transaksi pihak berkaitan bagi pendapatan dan kedudukan dagangan bagi operasi harian TH Group yang telah dilaksanakan dengan Dr. Selvaratnam a/l Govindaraju, pengarah Syarikat Asiaprise Biotech Sdn. Bhd. (subsidiari milik penuh Syarikat), tertakluk kepada perenggan 10.09 keperluan-keperluan Penyenaian Bursa Malaysia Securities Berhad.

Resolusi 14

"BAHAWA tertakluk kepada Perenggan 10.09 Keperluan Penyenaian Bursa Malaysia Securities Berhad, Syarikat dan/atau syarikat-syarikat subsidiarinya dan dengan ini diberi kuasa untuk menyertai sebarang transaksi dengan pihak berkaitan bagi pendapatan dan kedudukan dagangan dengan Dr. Selvaratnam a/l Govindaraju, pengarah Syarikat Asiaprise Biotech Sdn. Bhd. (subsidiari milik penuh Syarikat), seperti yang telah dinyatakan di dalam Seksyen 2.2 Surat Pekeliling Pemegang-pemegang Saham yang bertarikh 10 Mei 2006, dengan syarat bahawa transaksi-transaksi tersebut adalah perlu di dalam operasi harian dan dijalankan di dalam urusan perniagaan biasa dan di dalam jangkauan dan di bawah terma-terma komersial biasa di mana ianya tidak melebihi kepada pihak berkaitan berbanding kepada awam dan tiada diskriminasi terhadap pemegang-pemegang saham Syarikat DAN BAHAWA kelulusan mengenainya, ditarik balik atau diubah oleh Syarikat di mesyuarat agung, akan terus berkuatkuasa sehingga:-

- (a) keputusan AGM Syarikat yang akan datang selepas AGM ini di mana mandat telah diluluskan, pada satu tarikh ia akan luput, melainkan menurut Resolusi yang telah diluluskan pada AGM mengenaanya di mana kuasa telah diperbaharui semula;
- (b) tamat jangkamasa AGM Syarikat yang berikutnya selepas tarikh ia wajib dikendalikan menurut Seksyen 143(1) Akta Syarikat, 1965 ("Act") (tetapi tidak boleh dilanjutkan sehingga satu tempoh lanjutan sebagaimana yang dibolehkan menurut Seksyen 143(2) Akta tersebut; atau
- (c) ditarik balik atau diubah oleh resolusi yang telah diluluskan oleh pemegang-pemegang saham di dalam mesyuarat agung;
- yang mana terdahulu."

Resolusi Biasa 6

– Kelulusan Bayaran Bonus Syarikat sebanyak RM1.0 juta

Resolusi 15

"Bahawa kelulusan dan kebenaran telah diberi kepada Syarikat untuk memberi pembayaran bonus sebanyak RM1.0 juta kepada En Wong Ah Kow untuk perkhidmatannya sepanjang lama sebagai Pengarah Urusan Tracpower Sdn. Bhd., sebuah Syarikat subsidiari milik penuh Syarikat berikutan dengan penutupan pejabat pentadbiran Tracpower Sdn. Bhd. Tawau."

8. Untuk menguruskan lain-lain perniagaan biasa yang mana notis tunggakan telah pun diberikan menurut Akta Syarikat, 1965.

NOTIS KELAYAKAN DIVIDEN

NOTIS DIBERIKAN bahawa Dividen Akhir sebanyak 2% ditolak cukai pendapatan sebanyak 28% akan dibayar pada 23 Ogos 2006 kepada pendeposit yang telah mendaftar di Rekod Penyimpan apabila perniagaan ditutup pada 1 Ogos 2006 jika diluluskan oleh ahli-ahli pada Mesyuarat Agung Tahunan Ke-Tujuh Belas pada 1 Jun 2006.

Seorang Pendeposit akan menerima kelayakan ini sekiranya:-

- Saham dipindahkan ke Akaun Sekuriti Pendeposit sebelum jam 4.00 petang pada 1 Ogos 2006 menurut pindahan biasa; dan
- Saham dibeli dari Bursa Malaysia Securities Berhad mengikut asas kelayakan menurut Syarat-syarat Bursa Malaysia Securities Berhad.

Menurut Perintah Lembaga

LIM YEW HEANG (MAICSA 7007653)
 CHAN YEE KIAW (MAICSA 7012253)
 Setiausaha Syarikat

Kuala Lumpur
 10 Mei 2006

Nota Penerangan Bagi Urusan Khas:

1. Syarikat dan syarikat-syarikat subsidiarinya ("Kumpulan") akan meneruskan peluang perniagaan di dalam bidang yang mempunyai prospektif serta meluaskan asas operasi dan pendapatan yang berpotensi bagi Kumpulan serta mengurangkan pinjaman Kumpulan. Perancangan yang sedemikian memerlukan penawaran saham baru yang tidak melebihi 10 peratus dari modal saham yang ditawarkan oleh Syarikat. Dengan kelulusan Resolusi Biasa No.1 seperti yang telah dimaklumkan di atas oleh pemegang-pemegang saham Syarikat pada Mesyuarat Agung Tahunan yang akan datang, Pengarah-pengarah akan mengelak dari penangguhan dan kos untuk mengadakan mesyuarat agung yang berikutnya untuk meluluskan tawaran saham bagi tujuan-tujuan yang mengenainya.
2. Mandat pemegang-pemegang saham di bawah Resolusi-resolusi Biasa No. 2, No. 3, No. 4 dan No. 5 adalah bertujuan untuk mempermudah transaksi perniagaan biasa Syarikat dan syarikat-syarikat subsidiarinya ("Kumpulan") yang dilansungkan dari masa ke semasa dengan pihak-pihak berkaitan yang tertentu, dengan syarat ia dilakukan di dalam jangkauan serta menurut terma-terma komersial biasa Kumpulan dan tidak prejudis terhadap pemegang-pemegang saham di bawah terma-terma di mana ianya tidak melebihi kepada pihak berkaitan berbanding kepada pihak awam dan tidak menjejaskan pemegang-pemegang saham minoriti.

Dengan mendapatkan Mandat pemegang-pemegang saham secara tahunan, keperluan untuk mengadakan mesyuarat agung yang berasingan dari masa ke semasa untuk mendapatkan kelulusan pemegang-pemegang saham pada dan apabila transaksi pihak berkaitan yang telah dijalankan tidak timbul. Ini mengurangkan masa pentadbiran, masalah serta perbelanjaan yang berkaitan dengan kendalian mesyuarat, tanpa menjejaskan objektif-objektif Kumpulan atau peluang-peluang perniagaan bagi Kumpulan.

3. Resolusi Biasa No.6 yang telah dicadang merupakan sebuah tanda penghargaan kepada En Wong Ah Kow untuk perkhidmatannya sepanjang lama sebagai Pengarah Urusan Tracpower Sdn. Bhd., sebuah syarikat subsidiari milik penuh Syarikat berikutan dengan penutupan pejabat pentadbiran Tracpower Sdn. Bhd. Tawau.

Nota:-

1. *Ahli yang layak untuk menghadiri dan mengundi di Mesyuarat juga layak untuk melantik wakil untuk hadir dan mengundi bagi pihaknya.*
2. *Proksi tidak semestinya dari Ahli Syarikat dan Ahli boleh melantik mana-mana wakil untuk menjadi proksi tanpa had dan peruntukan Seksyen 149(1)(b) Akta tidak dikenakan ke atas Syarikat.*
3. *Pemegang boleh melantik dua proksi untuk menghadiri mesyuarat. Jika pemegang melantik dua atau lebih dari dua proksi, ahli hendaklah menetapkan bahagian pegangan sahamnya untuk diwakili oleh setiap proksi.*
4. *Surat perlantikan proksi hendaklah dibuat secara bertulis (dalam bentuk biasa) yang ditandatangani oleh pelantik atau dalam hal ahli korporat pula, surat cara perlantikan proksi tersebut mestilah dicapkan dengan Meterai Rasmi atau ditandatangani oleh pegawai atau wakil yang telah diberi kuasa dengan sewajarnya bagi pihaknya.*
5. *Surat perlantikan proksi hendaklah didepositkan ke Pejabat Pendaftaran beralamat Tingkat 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Bukit Damansara, 50490 Kuala Lumpur, Malaysia, tidak kurang daripada empat puluh lapan (48) jam sebelum masa bermulanya mesyuarat atau pada masa lanjutannya.*

PENYATA DISERTAKAN BERSAMA NOTIS MESYUARAT AGUNG TAHUNAN

Pengarah-pengarah yang layak untuk dibuat perlantikan semula pada Mesyuarat Agung Tahunan Syarikat ke-Tujuh Belas yang akan diadakan di Berjaya Hall, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur pada Khamis, 1 Jun 2006 jam 10.00 pagi adalah seperti berikut:-

Nama Pengarah	Butir-butir Kehadiran di Mesyuarat Lembaga	Butir-butir Setiap Individu Pengarah dan Keperluan Pendedahan Lain
Abu Bakar Bin Abdul Karim <i>(Perkara 63A Tataurusan Persatuan Syarikat)</i>	Rujuk halaman 53 Laporan Tahunan	Rujuk halaman 12 Laporan Tahunan
Tam Kam Too <i>(Perkara 63A Tataurusan Persatuan Syarikat)</i>	Rujuk halaman 53 Laporan Tahunan	Rujuk halaman 12 Laporan Tahunan
Michael Ting Sii Ching <i>(Perkara 63A Tataurusan Persatuan Syarikat)</i>	Rujuk halaman 53 Laporan Tahunan	Rujuk halaman 13 Laporan Tahunan
Rohana Tan Sri Mahmood <i>(Perkara 63A Tataurusan Persatuan Syarikat)</i>	Rujuk halaman 53 Laporan Tahunan	Rujuk halaman 12 dan 74 Laporan Tahunan
Wong Chee Beng <i>(Perkara 63A Tataurusan Persatuan Syarikat)</i>	Rujuk halaman 53 Laporan Tahunan	Rujuk halaman 13 Laporan Tahunan



FORM OF PROXY

No. of ordinary shares held _____
(Before completing the form please refer to the notes below)

I/We _____
(full name in block letters)

of _____
(full address)

being a member of TH GROUP BERHAD hereby appoint _____
(full name)

of _____
(full address)

or failing him, the Chairman of the Meeting* as my/our proxy to vote for me/us and on my/our behalf, at the Seventeenth Annual General Meeting of the Company, to be held at Berjaya Hall, Bukit Kiara Equestrian and Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 1 June 2006 at 10:00 a.m., or at any adjournment thereof. My/our proxy is to vote as indicated below:-

No.	Resolutions	For	Against
	Ordinary Business		
1	To receive the Directors' Report and the Audited Financial Statements for the financial year ended 31 December 2005 together with the Auditors' Report thereon.		
2	To approve the declaration of a final dividend of 2% less 28% income tax for the financial year ended 31 December 2005.		
3	To sanction the payment of Directors' Fees for the financial year ended 31 December 2005.		
4	To re-elect Abu Bakar Bin Abdul Karim who shall retire pursuant to Article 63A of the Company's Articles of Association.		
5	To re-elect Tam Kam Too who shall retire pursuant to Article 63A of the Company's Articles of Association.		
6	To re-elect Michael Ting Sii Ching who shall retire pursuant to Article 63A of the Company's Articles of Association.		
7	To re-elect Rohana Tan Sri Mahmood who shall retire pursuant to Article 63A of the Company's Articles of Association.		
8	To re-elect Wong Chee Beng who shall retire pursuant to Article 68 of the Company's Articles of Association.		
9	To re-appoint Messrs. KPMG as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
	As Special Business:-		
10	Authority to allot shares pursuant to Section 132D of the Companies, Act, 1965.		
11	To approve the shareholders' mandate for recurrent related party transactions entered into with Tung Hup Holdings Sdn Bhd, a major shareholder of the Company, and its subsidiaries pursuant to Paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad.		
12	To approve the shareholders' mandate for recurrent related party transactions entered into with Lei Lin Thai, a director of the Company, and Linta Holdings Sdn Bhd, a shareholder of the Company and person(s) connected to Lei Lin Thai, pursuant to Paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad.		
13	To approve the shareholders' mandate for recurrent related party transactions entered into with Rohana Tan Sri Mahmood, an independent non-executive director of the Company, and person(s) connected to her, pursuant to Paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad.		
14	To approve the shareholders' mandate for recurrent related party transactions entered into with Dr. Selvaratnam a/l Govindaraju, a director of Asiaprise Biotech Sdn. Bhd. (a wholly owned subsidiary of the Company), pursuant to Paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad.		
15	To approve an ex-gratia payment of RM1.0 Million to Mr. Wong Ah Kow.		

(Please indicate with an "X" in the appropriate box against each resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

Dated this _____ day of _____ 2006

Signature/Seal

* Delete the words "or failing him, the Chairman of the Meeting" if you wish to appoint some other person(s) to be your proxy.

Fold this flap for sealing

Affix
Stamp

Company Secretary

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

1st fold here

2nd fold here

Notes:-

1. A member entitled to attend and vote at the Meeting is entitled to appoint another person to attend and vote in his stead.
2. A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without limitation and the provision of Section 149(1)(b) of the Act shall not apply to the Company.
3. A holder may appoint more than two proxies to attend at the same meeting. Where a holder appoints two or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or in the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of an officer or attorney duly authorised in that behalf.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time fixed for holding the meeting or at any adjournment thereof.

