



安裕資源有限公司
ANN JOO RESOURCES BERHAD
(Company No. 371152-U)

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of the Company will be held at Bahamas 1 & 2, Level 12, Sunway Lagoon Resort Hotel, Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan on Thursday, 15 June 2006 at 10.00 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31 December 2005 and the Reports of the Directors and Auditors thereon. Resolution 1
2. To approve the payment of Directors' fees amounting to RM282,000.00 for the financial year ended 31 December 2005. Resolution 2
3. To re-elect the following Directors, who shall retire pursuant to Article 101 of the Company's Articles of Association:-
 - a) Mr Lim Seng Qwee; and Resolution 3
 - b) Encik Mohd Alkaf Bin Mohd Kahar. Resolution 4
4. To consider and, if thought fit, pass the following resolution, with or without modifications, as an Ordinary Resolution:-

"THAT, pursuant to Section 129(6) of the Companies Act, 1965, Dato' Ong Kim Hoay be re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

Resolution 5
5. To appoint Messrs Ong Boon Bah & Co. as the Company's Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration. Resolution 6

AS SPECIAL BUSINESS

6. To consider and if thought fit, to pass the following resolutions, with or without modifications as Ordinary Resolutions:-

6.1 AUTHORITY TO ALLOT SHARES

"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this Resolution in any one financial year does not exceed 10% of the total 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 Bursa Malaysia Securities Berhad and THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

Resolution 7

6.2 PROPOSED RENEWAL OF AUTHORISATION TO ENABLE THE COMPANY TO PURCHASE UP TO 10% OF THE ISSUED AND PAID-UP ORDINARY SHARE CAPITAL OF THE COMPANY PURSUANT TO SECTION 67A OF THE COMPANIES ACT, 1965

"THAT, subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares of RM1.00 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- (i) the aggregate number of shares purchased does not exceed 10 per cent of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;
- (ii) an amount not exceeding the Company's audited retained profits of RM121,665,922.00 and/or the share premium account of RM55,263,894.00 for the financial year ended 31 December 2005 be allocated by the Company for the purchase of own shares; and
- (iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends.

AND THAT the authority conferred by this resolution will commence immediately and will, subject to renewal thereof, expire at the conclusion of the next Annual General Meeting of the Company following the passing of this Ordinary Resolution (unless earlier revoked or varied by an Ordinary Resolution of the shareholders of the Company in a general meeting) but shall not prejudice the completion of purchase(s) by the Company before that aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authorities;

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares or to resell the shares or distribute the shares as dividends) in accordance with the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company and the requirements and/or guidelines of Bursa Securities and all other relevant governmental and/or regulatory authorities."

Resolution 8

6.3 PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT approval be and is hereby given for the renewal of shareholders' mandate for the Company and/or its subsidiary companies to enter into the categories of recurrent transactions of a revenue or trading nature with the following Related Parties as specified in Section 2.4 of Part B of the Circular to Shareholders dated 24 May 2006 ("Circular"):-

(i) LIM Group	Resolution 9
(ii) MISI Group	Resolution 10
(iii) Sanritsu Group	Resolution 11
(iv) CHH Group	Resolution 12
(v) SHH Group	Resolution 13
(vi) MYS Group	Resolution 14

AND THAT a mandate be and is hereby granted for the Company and/or its subsidiary companies to enter into additional recurrent related party transactions of a revenue or trading nature with the following Related Parties as set out in Section 2.5 of Part B of the Circular:-

(i) LIM Group	Resolution 15
(ii) Sanritsu Group	Resolution 16

PROVIDED ALWAYS that such transactions are:-

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the day-to-day operations;
- (iii) carried out on an arm's length basis, in the ordinary course of business and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (iv) are not to the detriment of the minority shareholders

AND THAT the shareholders' mandate, unless revoked or varied by the Company in a general meeting, shall take effect from the date of the passing of this Ordinary Resolution and will continue in force until:-

- (a) the conclusion of the next Annual General Meeting of the Company at which time it will lapse unless authority is renewed by a resolution passed at the next Annual General Meeting;

Notice of Annual General Meeting cont'd

- (b) the expiration of the period within which the next Annual General Meeting is to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
- (c) revoked or varied by resolution passed by shareholders in a general meeting before the next Annual General Meeting,

whichever is earlier.

AND FURTHER THAT the Directors of the Company be authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Mandate."

6.4 TO PROPOSE THE APPOINTMENT OF DIRECTOR PURSUANT TO THE NOMINATION RECEIVED FROM MR LEE AH LEONG AS PER LETTER DATED 3 JANUARY 2006

Resolution 17

- 7. To transact any other business that may be transacted at an Annual General Meeting, due notice of which shall have been previously given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

By Order of the Board

NURULUYUN BINTI ABDUL JABAR (MIA 9113)
WONG SU YEN CAROLINE (MAICSA 7018752)
Company Secretaries

24 May 2006

NOTES:-

- 1) A Member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A Member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- 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 provisions of Section 149(1)(b) of the Companies Act, 1965, shall not apply to the Company.
- 3) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- 4) The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the Registered Office of the Company at Wisma Ann Joo, Lot 19391, Bt 8½ Jalan Klang Lama, 46000 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.
- 5) Explanatory Notes on Special Business:-
 - a) Ordinary Resolution 7
The proposed resolution in relation to authority to allot shares pursuant to Section 132D of the Companies Act, 1965, if passed, will empower the Directors to issue shares up to an aggregate amount not exceeding 10% of the total issued share capital of the Company for the time being, for such purposes as the Directors consider would be in the interest of the Company. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting of the Company.
 - b) Ordinary Resolution 8 to Ordinary Resolution 16
Please refer to the Circular to Shareholders dated 24 May 2006 for further information.
 - c) Ordinary Resolution 17
Pursuant to Article 102 of the Company's Articles of Association and Paragraph 7.30 of the Listing Requirements of Bursa Malaysia Securities Berhad, a member may propose the election of a person to the office of Director provided that a notice in writing duly signed by the nominee giving his consent to the nomination is given at least seven (7) days before the Annual General Meeting. The relevant nomination and consent have been received by the Company.

Statement Accompanying Notice of Annual General Meeting

1. Directors standing for re-election at the Tenth Annual General Meeting of the Company

Mr Lim Seng Qwee - Retiring pursuant to Article 101 of the Company's Articles of Association

Encik Mohd Alkaf Bin Mohd Kahar - Retiring pursuant to Article 101 of the Company's Articles of Association

Dato' Ong Kim Hoay - Retiring pursuant to Section 129 of the Companies Act, 1965

2. Details of the person/Directors standing for election/re-election

Profile of the person standing for election as provided by Mr Lee Ah Leong

NG SEET KOW 60+ years of age - Malaysian

After serving seven years in the University of Malaya Main Library, he resigned and joined Folex Industries Bhd Group of Companies as an Assistant Accountant in 1972, and later he joined Jack-Chia-MPH Ltd and Jack-Chia Enterprise Bhd Group of Companies as Accountant in 1978. He later joined partnership and started his own consultancy practice in 1982 providing corporate services as Company Secretary for a number of companies on corporate planning, tax, budgeting, accounting and auditing matters.

He is a Chartered Secretary, Certified Public Accountant and Professional National Accountant. He is a Fellow of the Institute of Chartered Secretaries & Administrators (UK), and Fellow Member of the Malaysian Institute of Chartered Secretaries and Administrators, an Associate Member of the Malaysian Institute of Taxation, Chartered Member of the Institute of Internal Auditors Malaysia, Holder of postgraduate Certified Diploma in Accounting and Finance awarded by the Chartered Association of Certified Accountants (ACCA), a Certified Public Accountant of the Institute of Certified Public Accountants of South Africa and a Professional National Accountant of the National Institute of Accountants, Australia.

He is a Member of the Investigating and Disciplinary Tribunal Panel of the Advocates & Solicitors Disciplinary Board under Section 96 of the Legal Profession Act 1976 (amended 1993) of the Bar Council Malaysia.

He holds 301 ordinary shares of RM1.00 each in the Company of which 1 ordinary share is held indirectly. He does not have any family relationship with any substantial shareholder or director in the Company, no conflict of interest with the Company and has no convictions for offences within the past ten years.

Further details of Directors standing for re-election are set out in pages 8 to 10 of this Annual Report. The securities holdings of the Directors standing for re-election are to be found in page 77.

3. Details of attendance at Board Meetings

There were six Board of Directors' Meetings held during the financial year ended 31 December 2005. Details of attendance of the Directors are set out in the Profile of Directors appearing in pages 8 to 10 of this Annual Report.

4. Place, date & time of the Tenth Annual General Meeting

The Tenth Annual General Meeting of the Company will be held at Bahamas 1 & 2, Level 12, Sunway Lagoon Resort Hotel, Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan on Thursday, 15 June 2006 at 10.00 a.m.

Notice of Intention and Consent

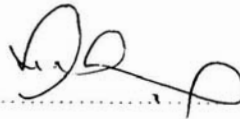
The Company Secretary
ANN JOO RESOURCES BERHAD
Wisma Ann Joo, Lot 19391
Batu 8½, Jalan Klang Lama
46000 Petaling Jaya
Selangor Darul Ehsan

3 JAN 2006

NOTICE OF INTENTION TO APPOINT DIRECTOR

Pursuant to Chapter 7.10 of the Bursa Malaysia Listing Requirements, I, the undersigned, a minority Shareholder/Member of the Company, of No. 132 Jalan Batalong, Continental Park, Jalan Kuchai Lama, 58200 Kuala Lumpur, wish to propose and nominate Mr. Ng Seet Kow to the Board of Directors as an Independent Non-Executive Director, at the forthcoming Annual General Meeting of the Company as an ordinary resolution, as follows:-

“That Mr. Ng Seet Kow be and is hereby appointed as director of the Company.”

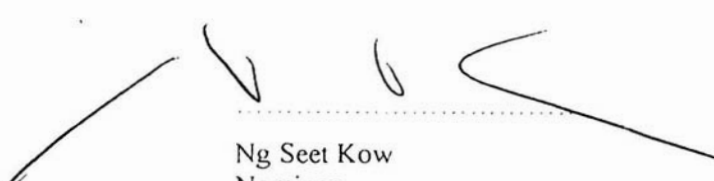


Lee Ah Leong
Shareholder/Member

NOTICE OF CONSENT

I, the undersigned, of No. 1444 Jalan 17/21L, 46400 Petaling Jaya, Selangor, give my consent to the nomination, signifying my candidature for the office as an Independent Non-Executive Director.

Date: 3 JAN 2006



Ng Seet Kow
Nominee

cc: CEO, Bursa Malaysia

Corporate Information

BOARD OF DIRECTORS

Lim Seng Qwee
Dato' Lim Kiam Lam
Lim Sin Seong
Lim Kien Lip
Dato' Lim Hong Thye
Dato' Ong Kim Hoay
Mohd Alkaf Bin Mohd Kahar
Tan Sri Datuk A. Razak Bin Ramli

Executive Chairman
Group Managing Director
Executive Director
Executive Director
Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Ong Kim Hoay (Chairman)
Mohd Alkaf Bin Mohd Kahar
Tan Sri Datuk A. Razak Bin Ramli
Dato' Lim Kiam Lam

Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Group Managing Director

COMPANY SECRETARIES

Nuruluyun Binti Abdul Jabar
(MIA 9113)

Wong Su Yen Caroline
(MAICSA 7018752)

HEAD OFFICE & REGISTERED OFFICE

Wisma Ann Joo, Lot 19391
Batu 8½ Jalan Klang Lama
46000 Petaling Jaya
Telephone No. : 03-7877 0028
Fax No.: 03-7875 9354

PRINCIPAL BANKERS

Bumiputra-Commerce Bank Berhad
Alliance Bank Malaysia Berhad
RHB Bank Berhad
Southern Bank Berhad

AUDITORS

Ong Boon Bah & Co.

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 26 Menara Multi-Purpose
Capital Square
No. 8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Telephone No.: 03-2721 2222
Fax No.: 03-2721 2530/31

STOCK EXCHANGE LISTING

Main Board of the Bursa Malaysia Securities Berhad

Profile of Directors

LIM SENG QWEE *Executive Chairman* 66 years of age - Malaysian

He is also the Executive Chairman of Ann Joo Metal Sdn Bhd. He has more than 40 years experience in the steel trading business and has contributed significantly to the growth and development of the trading business. He also sits on the board of several private limited companies.

Appointed as Director of the Company on 11 September 1996 and from the position of Deputy Executive Chairman, he was appointed as the Executive Chairman of the Company on 17 June 2003. He was also appointed to the Investment Committee in May 2003 as its Chairman.

Attended five out of the six Board Meetings held during the financial year. Father of Dato' Lim Hong Thye, an Executive Director of the Company. Brother of major shareholder, Mr Lim Seng Chee and Executive Director, Mr Lim Sin Seong, as well as uncle to the Group Managing Director, Dato' Lim Kiam Lam and Executive Director, Mr Lim Kien Lip. No conflict of interest with the Company. No convictions for offences within the past 10 years.

DATO' LIM KIAM LAM *Group Managing Director* 53 years of age - Malaysian

He is currently the Executive Chairman of Malayawata Steel Berhad. He has over 30 years of hands-on experience in the steel business. During his tenure as a key member of the senior management, the Group's business has grown and expanded rapidly. He is the Adviser of the Selangor & Federal Territory Metal Dealers Association and the Malaysia Hardware, Machinery & Building Materials Dealer Association. He is also the Chairman of the Commerce Committee of the Kuala Lumpur & Selangor Chinese Chamber of Commerce & Industry. Dato' Lim Kiam Lam also sits on the board of various private companies.

Appointed as Director of the Company on 11 September 1996 and as Group Managing Director on 12 September 1996. He serves as a member of the Audit Committee, Remuneration Committee and Investment Committee besides being the Chairman of Strategic Business Unit Management Committee of the Company. Current directorship in a public company includes Malayawata Steel Berhad.

Attended all the six Board Meetings held during the financial year. Son of major shareholder, Mr Lim Seng Chee and nephew the Executive Chairman, Mr Lim Seng Qwee and Executive Director, Mr Lim Sin Seong. He is also a brother to Mr Lim Kien Lip as well as cousin to Dato' Lim Hong Thye, both Executive Directors of the Company. No conflict of interest with the Company. No convictions for offences within the past 10 years.

LIM SIN SEONG *Executive Director* 49 years of age - Malaysian

He is also the Managing Director of Ann Joo Metal Sdn Bhd. He has over 25 years of involvement in the steel trading business. He is the Director responsible for the trading division of the Group. His embracing of modern management approaches was instrumental in the transformation of the Group with adoption of modern logistic facilities and state-of-the-art computerised management system. He is currently the Head of Strategic Business Unit 1, the trading arm of the Group. He also sits on the board of several private limited companies.

Appointed as Director of the Company on 11 September 1996. Besides being a member on Strategic Business Unit Management Committee of the Company, he is also a member of the Investment Committee since May 2003.

Attended all the six Board Meetings held during the financial year. Brother of major shareholder, Mr Lim Seng Chee and the Executive Chairman, Mr Lim Seng Qwee. Uncle to the Group Managing Director, Dato' Lim Kiam Lam as well as Executive Directors, Dato' Lim Hong Thye and Mr Lim Kien Lip. No conflict of interest with the Company. No convictions for offences within the past 10 years.

LIM KIEN LIP *Executive Director* 44 years of age - Malaysian

He is also the Managing Director of Anshin Steel Industries Sdn Bhd ("ASI") and Ann Joo Trading Sdn Bhd. He joined the Ann Joo Group of Companies in 1987 and rose to the rank of General Manager/Executive Director of ASI in 1997 and by the year 2000, he was appointed as the Managing Director of ASI. He holds a Bachelor of Science in Business Administration (major in Management) from the Central Washington University St., United States of America in 1983 and obtained his Master of Science in Business Administration (major in Management) from City University Washington St., United States of America in 1984. He is currently the Head of Strategic Business Unit 2 involved in the manufacturing and trading activities of the Unit. He also sits on the board of several private limited companies.

Appointed as Director of the Company on 17 June 2003 and serves as a member on the Strategic Business Unit Management Committee of the Company. Current directorship in a public company includes Malayawata Steel Berhad.

Attended five out of the six Board Meetings held during the financial year. Son of major shareholder, Lim Seng Chee and nephew of the Executive Chairman, Mr Lim Seng Qwee and Executive Director, Mr Lim Sin Seong. Brother to the Group Managing Director, Dato' Lim Kiam Lam as well as cousin to Executive Director, Dato' Lim Hong Thye. No conflict of interest with the Company. No convictions for offences within the past 10 years.

DATO' LIM HONG THYE *Executive Director* 31 years of age - Malaysian

He joined the Company in August 2000 and was seconded to Malayawata Steel Berhad ("MYS") on 10 August 2000. He was then appointed as Executive Director of MYS on 15 January 2004 and with effect from 18 February 2004, became its President. Prior to that, he was with the Assurance & Advisory Service unit of Price Waterhouse and PriceWaterhouseCoopers. He holds a Bachelor of Commerce (Accounting and Finance) from The University of Melbourne, is a Chartered Accountant (CA) of The Malaysian Institute of Accountants (MIA), and a Certified Practising Accountant (CPA) of Australian Society of CPAs. He also sits on the board of several private limited companies. He is also a member of the Executive Committee of Malaysian Iron & Steel Industry Federation (MISIF).

Appointed as Director of the Company on 1 January 2003 and serves as a member on Strategic Business Unit Management Committee. He was also appointed as a member of the Investment Committee in May 2003. Current directorship in a public company includes Malayawata Steel Berhad.

Attended all the six Board Meetings held during the financial year. Son of the Executive Chairman, Mr Lim Seng Qwee and nephew of major shareholder, Mr Lim Seng Chee and Executive Director, Mr Lim Sin Seong as well as cousin to the Group Managing Director, Dato' Lim Kiam Lam and Executive Director, Mr Lim Kien Lip. No conflict of interest with the Company. No convictions for offences within the past 10 years.

DATO' ONG KIM HOAY *Independent Non-Executive Director* 72 years of age - Malaysian

He is an Associate Member of the Institute of Chartered Accountants (Australia), Institute of Chartered Secretaries and Administrators (Australia) and also a member of the Malaysian Institute of Accountants. He started his career in 1969 as an Auditor with Terquand Youngs & Co. (now known as Ernst & Young), a public accounting firm. He subsequently joined Malayan Banking Berhad (Maybank) in 1970 and has held various senior positions in Maybank before retiring as General Manager, Singapore Operations in 1992. He has also served on the Board of Directors of Maybank for several years.

Appointed as Director of the Company on 11 September 1996 and also serves as Chairman of its Audit Committee, Remuneration Committee and Nominating Committee he is also the Senior Independent Non-Executive Director of the Company. Current directorships in public companies include Atlan Holdings Berhad, Multivest Resources Berhad, Artwright Holdings Berhad and Kimble Corporation Berhad.

Attended four out of the six Board Meetings held during the financial year. No family relationship with any Director and/or major shareholder of the Company. No conflict of interest with the Company. No convictions for offences within the past 10 years.

Profile of Directors cont'd

MOHD ALKAF BIN MOHD KAHAR *Independent Non-Executive Director 57 years of age - Malaysian*

He is currently the Chairman of Kimble Corporation Berhad and Evergreen Fibreboard Berhad. He was formerly with the RHB Bank Berhad from 1984 to 1994 where he assumed the post of General Manager in 1990. Prior to that, he was attached to the Ministry of Finance (Tax and Economic Divisions) from 1980 to 1983, and to the Prime Minister's Department (Economic Planning Unit) from 1971 to 1980. He holds a Bachelor of Arts Honours in Economics from the University of Malaya in 1971 and obtained his Master of Arts in Development Economics from Williams College, Massachusetts, United States of America in 1975.

Appointed as Director of the Company on 11 September 1996 and also serves as a member of the Audit Committee, Remuneration Committee, Nominating Committee and Investment Committee. Current directorships in public companies includes Kimble Corporation Berhad and Evergreen Fibreboard Berhad.

Attended all the six Board Meetings held during the financial year. No family relationship with any Director and/or major shareholder of the Company. No conflict of interest with the Company. No convictions for offences within the past 10 years.

TAN SRI DATUK A. RAZAK BIN RAMLI *Independent Non-Executive Director 57 years of age - Malaysian*

He holds a Bachelor of Arts (Hons) degree majoring in public administration in 1971 from University of Tasmania, Australia and obtained his diploma in Gestion Publique from Institut International d'Administration Publique, Paris, France in 1980. He was Deputy Secretary-General (Industry) and Deputy Secretary-General (Trade) of Ministry of International Trade and Industry (MITI) prior to his retirement from civil service as Secretary General of MITI. Throughout his years in civil service, he served several Ministries and Government Agencies including the Public Services Department and Economic Planning Unit, Prime Minister's Department; Policy Relations Unit, MITI; ASEAN Economic Cooperation Unit of MITI. He was Chairman of APEC Senior Officials when Malaysia hosted APEC.

He was appointed as Director of the Company on 25 November 2004 and also serves as a member of the Audit Committee and Nominating Committee. Current directorship in public companies includes Lafarge Malayan Cement Bhd, Shangri-La Hotels (Malaysia) Berhad, Favelle-Favco Berhad, Hong Leong Islamic Bank Berhad and Transmile Group Berhad.

Attended five out of the six Board Meetings held during the financial year. No family relationship with any Director and/or major shareholder of the Company. No conflict of interest with the Company. No convictions for offences within the past 10 years.

Group Structure

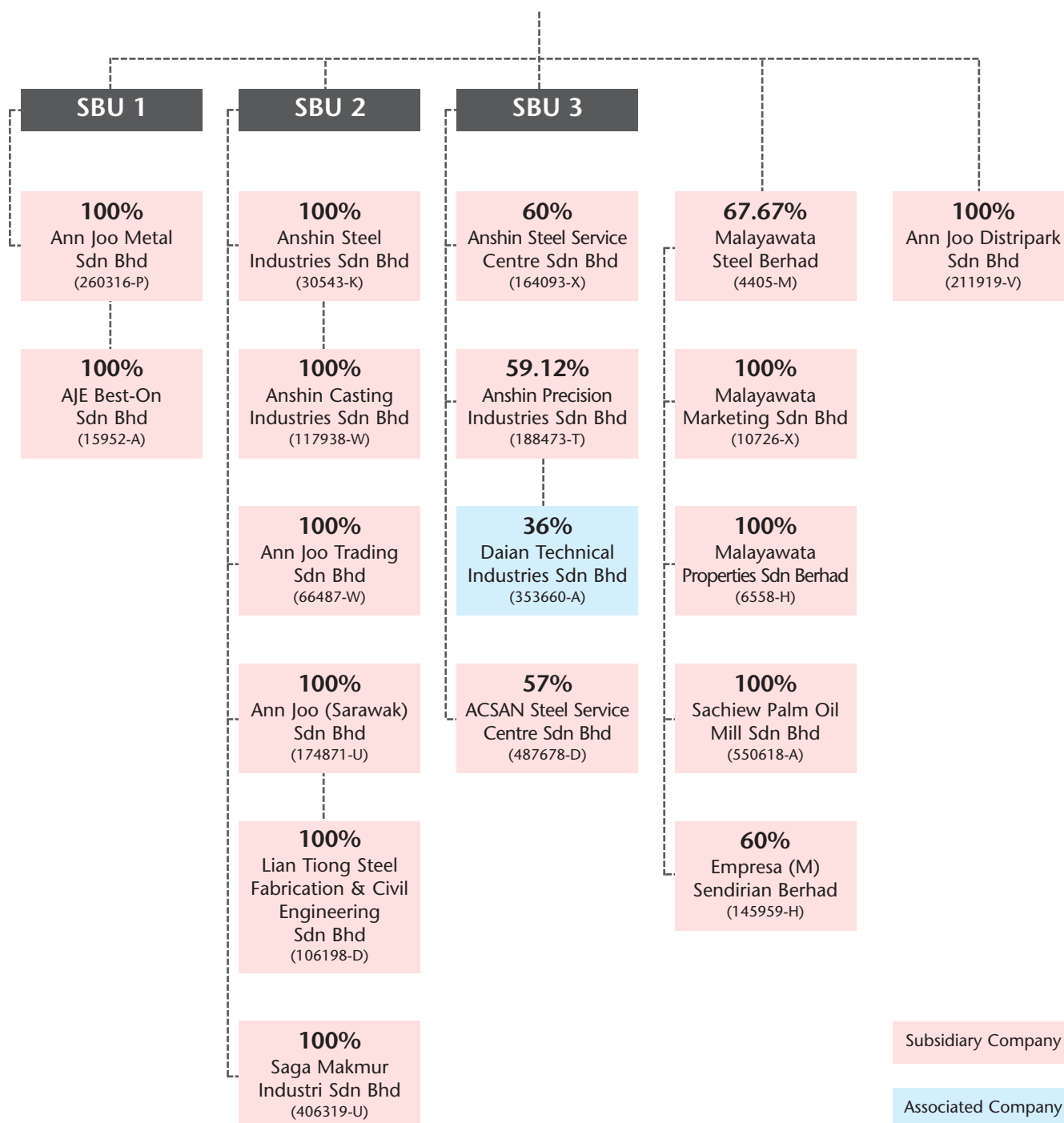
as at 24 May 2006



安裕資源有限公司

ANN JOO RESOURCES BERHAD

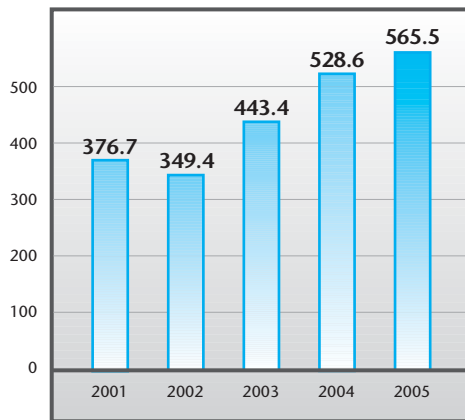
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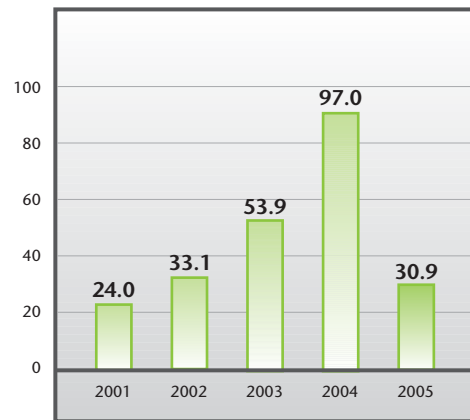
5 Years' Group Financial Highlights

	2001 RM'000	2002 RM'000	2003 RM'000	2004 RM'000	2005 RM'000
Revenue	376,687	349,374	443,406	528,566	565,539
Profit Before Taxation	23,984	33,113	53,915	96,959	30,943
Profit After Taxation	16,450	24,094	37,085	68,921	20,317
Profit Attributable to Shareholders of the Company	15,450	22,386	34,955	63,199	17,691
Dividend Rate (%)	3.5	3.5	12.0	12.0	13.5
Net Dividend	6,353	6,353	24,433	22,896	26,547
Shareholders' Funds	383,867	373,933	423,923	486,630	483,241
Net Tangible Assets	336,997	329,895	382,801	447,952	450,027
Net Tangible Assets Per Share (sen)	134	131	144	169	165
Basic Earnings Per Share (sen)	7.6	8.9	13.7	23.8	6.6

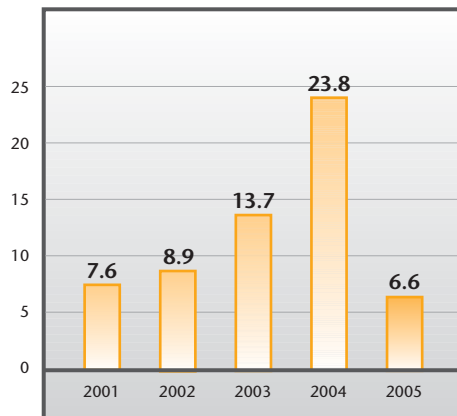
Revenue (RM' Million)



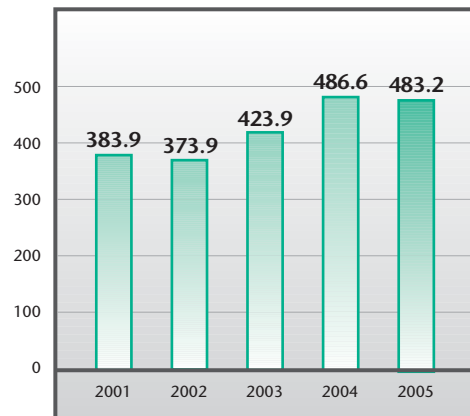
Profit Before Taxation (RM' Million)



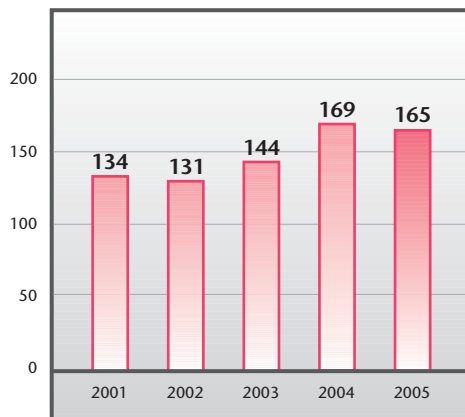
Basic Earnings Per Share (Sen)



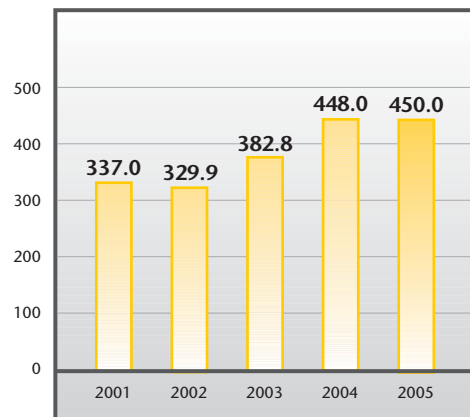
Shareholders' Fund (RM' Million)



Net Tangible Assets Per Share (Sen)



Net Tangible Assets (RM' Million)



Chairman's Statement

On behalf of the Board of Directors of Ann Joo Resources Berhad, I am pleased to present the Tenth Annual Report and Audited Financial Statements of the Company and the Group for the financial year ended 31st December 2005.

FINANCIAL HIGHLIGHTS

During the financial year under review, the Group recorded a 7% increase in revenue from RM528.6 million in 2004 to RM565.5 million mainly due to improved business volume from both the trading and manufacturing units. This result was against a backdrop of world steel price which was high during the first half of 2005 but softened in the second half resulting from a slower off take rate and the exporting of excess capacity by China producers.

The Group's pre-tax profit of RM30.9 million represents a decline of 68% or RM65.8 million from RM96.7 million in the previous year mainly attributable to the lower margin from higher cost of sales and lower effective pricing due to stiff market competition. Our share of profit from associated companies of RM11.5 million in the last financial period has now translated to a loss of RM9.9 million with the slow down in the construction sector coupled with higher input cost of scrap and fuel oil besides the disruption to our export market from the excess capacity of other countries' producers particularly China. These have greatly reduced the Group's net profit after taxation and minority interests to RM17.7 million.

OPERATIONS REVIEW

Trading

The trading units continue to contribute significantly to the Group's performance. These units have the ability to maintain a wide spectrum of high grade steel material, which are mainly used in engineering fabrication for oil & gas and palm oil mill & oleochemical industries. The units have in place a marketing and logistic plan that serves their customers well, despite the higher cost of sales and keen competition which have eroded margins.

Manufacturing

With the domestic construction industry contracting for the second consecutive year and the slowdown in world demand for construction steel, our manufacturing units (which includes those of our associated companies), were not spared the weakening effective selling price resulting from the softening of demand. The over capacity of domestic steel production, coupled with the steep increase in price of raw materials and fuel prices have further aggravated the adverse situation.

Our steel service centres registered higher revenue due to higher productivity despite registering lower margins arising from lower effective prices and higher input factors of production.

Property

During the year Anshin Steel Industries Sdn Bhd entered into a conditional Sale and Purchase Agreement with Toyota Auto Body (Malaysia) Sdn Bhd for the disposal of a piece of leasehold land with buildings at Section 23, Shah Alam (the "Property") for a total cash consideration of RM44,742,250. The estimated gain on disposal amounting to RM8.9 million has not been factored into the results for this financial year ended 31 December 2005 as the disposal of the Property was only completed on 13 March 2006.

CORPORATE DEVELOPMENT

On 3 October 2005, the Company served a Notice of Offer on the Board of Directors of Malayawata Steel Berhad ("MYS") informing it of the Company's intention to undertake a conditional voluntary offer to acquire all the remaining 136,959,538 ordinary shares of RM1.00 each in MYS, representing 67.94% of the issues and paid-up share capital of MYS which were not held by the Company and parties acting in concert with it ("Offer Shares") for a cash consideration of RM1.50 per Offer Share ("Offer") via the following:

- (i) conditional voluntary offer by the Company for the Offer Shares;
- (ii) compulsory acquisition of the remaining Offer Shares not acquired under the Offer pursuant to Section 34 of the Securities Commission Act, 1993;
- (iii) acquisition of the Offer Shares via open market transactions or private treaty (collectively referred to as "Proposals").

Simultaneously, on the same day, the Board announced that the Company would defer its application to the Securities Commission pursuant to Practice Note 2.9.10 of the Malaysian Code on Take-overs and Mergers, 1998 (the "Code") for the waiver from obligations to undertake any mandatory general offer ("Proposed Exemption") as a result of an earlier proposed share buy-back scheme of MYS until the conclusion of the Proposals, whereupon the Company would decide on the implementation of the Proposed Exemption.

Following the approvals obtained from the relevant authority and shareholders in December 2005, an offer document dated 23 December 2005 was despatched to the shareholders of MYS. The total shareholding of the Company in MYS as at the close of the successful Offer on 27 January 2006, was 133,888,801 MYS shares (after final verification of acceptances for the Offer). The Company currently holds 136,420,075 MYS shares representing 67.67% of the total issued and paid-up share capital of MYS. The additional shareholding of 71,795,912 shares compared to 64,624,163 shares as at 3 October 2005 were financed through internal sources as well as a secured term loan facility of RM106 million from a commercial bank with a repayment period of up to 7 years.

Upon the completion of the Offer, the Company is no longer obliged under the Code to carry out a mandatory general offer in respect of any share buy-back to be undertaken by MYS under MYS's proposed share buy-back scheme. Hence, the Company need not apply to the Securities Commission for the Proposed Exemption.

Warrants 2001/2006

During the financial year ended 31 December 2005, a total of 8,164,894 warrants were converted to 8,164,894 ordinary shares of RM1.00 each in the capital of the Company from a total of 84,030,000 warrants that were subscribed by shareholders during the Company's Rights Issue exercise in year 2001. The number of warrants remaining not converted as at 31 December 2005 is 75,865,106. These warrants if not converted, will expire on 26 July 2006.

DIVIDEND

During the financial year under review, the Company has paid a final dividend of 6.0 sen per share (less income tax 28%) and a special dividend of 4.0 sen per share (less income tax of 28%) in respect of the financial year ended 31 December 2004 totalling RM19,663,876 on 30 June 2005.

Subsequently, on 25 August 2005, the Company declared an interim dividend of 3.5 sen per share (less income tax of 28%) in respect of the financial year ended 31 December 2005 amounting to RM6,882,785 which was paid on 22 November 2005. Due to the lower profit recorded resulting from the less satisfying result in the second half of 2005, the first interim dividend paid on 22 November 2005 represented a ratio of 54% to net profit after minority interest for the year. This is in line with our dividend policy that targets to pay out 60% of its net profit after minority interest annually as gross dividends. In view of the above, the Board does not recommend a further final dividend be made payable in respect of the financial year ended 31 December 2005.

Chairman's Statement cont'd

OUTLOOK FOR THE FUTURE

The Malaysian economy is expected to maintain its growth momentum in 2006 with factors such as sustained private sector activities, favourable external environment and the Government's continuing efforts to further diversify the economy through new sources of growth as outlined in the 9th Malaysia Plan. Growth is expected to be broad-based with expansion in all sectors. Accordingly, real gross domestic product growth is forecast to expand by 5.5% in 2006.

The Group envisages that the demand for engineering steels, especially that of high grade steels, will remain strong in view of the robust growth in the oil and gas sector worldwide for the next few years. Concerted efforts will be put in to explore and introduce more value adding and complementary services and products to further strengthen the Group's stronghold in this sector. The Group will also explore opportunities abroad to ride on the global growth phenomenon in oil and gas sector.

Construction steel consumption is anticipated to improve marginally in 2006 before picking up steam from 2007 to 2009 in tandem with the implementation of infrastructure development projects under the 9th Malaysia Plan (2006-2010) and industrial activities under the 3rd Industrial Master Plan (2006-2020). With the completion of the Proposals on MYS recently, the Group is now in a strong position to capitalise on the expected robust construction activities, especially that in the northern part of Peninsular Malaysia. The international demand for construction steel will also be expected to be strong, especially in China, India, Middle East and the United States. The Group will continue its effort in realising the vision of transforming MYS into a global steel player. Besides the expected improvement in demand, the Group will continue to enhance its competitiveness via the ongoing product development, productivity improvement and cost savings programmes.

With all these measures in place, the Group is now better placed to consolidate its control of the upstream process of steel making to complement its well-diversified downstream steel business.

Notwithstanding these strategies, the steel industry is constantly faced with challenges from the volatility of international prices of raw materials and other factors of production, Government policies on selling prices as well as import and export conditions for steel products and other external elements.

The Board is therefore, cautiously optimistic that the Group, with years of experience in the steel industry and an impeccable track record in the steel business together with the strong support from its large network of buyers and suppliers globally, is in a good position to improve on its performance in the financial year 2006.

ACKNOWLEDGEMENT

2006 marks the 60th anniversary of the Ann Joo Group. On behalf of the Board and Management of Ann Joo Resources Berhad, I wish to extend our gratitude to our valued customers for their continued patronage; our suppliers, financiers, joint venture partners, business associates and regulatory authorities for their invaluable support; and our shareholders for their confidence placed in the Company through these six decades.

I also wish to extend my sincere thanks and appreciation to the Board, management and staff for their continued commitment and contribution to the Company and Group's performance.

LIM SENG QWEE
Executive Chairman
28 April 2006

Corporate Governance Statement

The Board is pleased to provide the following statements which outline the main corporate governance practices that were in place throughout the financial year, unless otherwise stated.

PRINCIPLES STATEMENT

The following statement sets out how the Group has applied the principles and best practices as set out in Part 1 and 2 of the Malaysian Code on Corporate Governance (the “Code”).

A. Board of Directors

Board responsibilities

The Group acknowledges the important role played by the Board of Directors in the stewardship of its direction and operations, and ultimately the enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction and overall well-being. Although it does not have a formal schedule of matters reserved to itself for decision, the Board is normally involved in matters concerning the overall Group strategy and direction, acquisition and divestment policy, approval of capital expenditure, consideration of significant financial matters and the review of financial and operating performance of the Group.

Meetings

The Board meets at least four times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. During the year ended 31 December 2005, the Board met on six occasions, when it deliberated and considered matters including the Group's financial results, major investments, strategic decisions and the business plan and direction of the Group.

All proceedings of the Board meetings are recorded and the minutes thereof signed by the Chairman of the meeting.

Details of each existing Director's meeting attendance are as set out in the profile of the respective directors in pages 8 to 10 of this Annual Report.

Board Committees

The Board, which is the ultimate authority in decision-making for all significant matters, delegates certain responsibilities to Board Committees to enhance business and operational efficiency as well as efficacy. These committees are an Audit Committee, an Investment Committee, a Nominating Committee and a Remuneration Committee which consider particular issues and recommend proposed actions to the Board.

The Chairman of the various Committees will report to the Board the outcome of the Committee meetings and such reports are incorporated in the minutes of the full Board meeting.

Board Balance

As at the date of this statement, the Board consists of eight members, comprising three Independent Non-Executive Directors and five Executive Directors. A brief profile of each Director is presented in pages 8 to 10 of this Annual Report.

The concept of independence adopted by the Board is in tandem with the definition of an independent Director in paragraph 1.01 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”). The key elements for fulfilling the criteria are the appointment of an independent Director who is not a member of management (a non-executive Director) and who is free of any relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. The Board has complied with paragraph 15.02 of the Listing Requirements, which requires that at least two Directors or one-third of the Board of the Company, whichever is the higher, are independent.

Corporate Governance Statement cont'd

The Directors, with their different background and specialisation, collectively bring with them a wide range of experience and expertise in areas such as finance, corporate affairs, marketing and operations. The executive Directors in particular are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as co-ordinating the development and implementation of business and corporate strategies. The independent non-executive Directors bring to bear objective and independent judgement to the decision making of the Board and provide a capable check and balance to the executive Directors. The independent non-executive Directors contribute in areas such as policy and strategy and performance monitoring. Together with the executive Directors who have intimate knowledge of the business, the Board is constituted of individuals who are committed to business integrity and professionalism in all its activities.

There is a clear division of responsibility at the head of the Company to ensure a balance of authority and power. The Board is led by Mr Lim Seng Qwee as the Executive Chairman who ensures effectiveness of Board policies whilst Dato' Lim Kiam Lam, the Group Managing Director, leads the executive management and is responsible for the day-to-day operations and implementation of Board policies and decisions. In line with the recommendation of the Code, the Board has also appointed Dato' Ong Kim Hoay as the senior independent non-executive Director to whom concerns of shareholders regarding the Company may be directed.

The Board is of the opinion that its current composition fairly reflects the interest of shareholders of the Company.

Supply of information

The Chairman, with the assistance of the Company Secretaries, ensures that all Directors have full access to information. Every Director has also unhindered access to the advice and services of the Company Secretaries. The Board believes that the current Company Secretaries are capable of carrying out their duties in ensuring the effective functioning of the Board. The Articles of Association specify that the removal of the Company Secretaries is a matter for the Board as a whole.

Prior to meetings of the Board and Board Committees, appropriate documents which include the agenda and reports relevant to the issues of the meetings covering the areas of strategic, financial, operational and regulatory compliance matters, are circulated to all Directors.

In furtherance of their duties, the Board can determine to obtain independent professional advice on an ad-hoc basis, where necessary and under appropriate circumstances at the Group's expense.

Appointments to the Board

Nominating Committee

The Nominating Committee comprises the following members who are exclusively Independent Non-Executive Directors:

- o Dato' Ong Kim Hoay - Chairman of Committee
- o Encik Mohd Alkaf Bin Mohd Kahar - Member
- o Tan Sri Datuk A. Razak Bin Ramli - Member (Appointed: 27 January 2006)

The Nominating Committee is empowered by the Board to bring to the Board recommendations on the appointment of new Directors and to review the Board structure, size and composition as well as those of Board Committees. The Committee met once during the financial year at which meeting the Group Managing Director was invited to attend.

Directors' training

The Board, through the Nominating Committee, ensures that it recruits to the Board only individuals of sufficient calibre, knowledge and experience to fulfil the duties of a Director. There is no formal training or orientation programme for Directors. However, all Directors have attended and successfully completed the Mandatory Accreditation Programme and the Continuing Education Programme (CEP) within the timeframe stipulated in the Listing Requirements. As the CEP has been repealed by Bursa Securities with effect from 1 January 2005, the Board has assessed the training needs of the individual directors to ensure that the board is equipped with necessary knowledge to enable them to discharge duties as directors.

For the financial year ended 31 December 2005, an in-house training workshop entitled “Transactions by Directors covering areas on financial assistance and related party transactions” was arranged. All Directors have attended the course except Mr Lim Sin Seong who nevertheless has regularly attended training and development programmes on Business Management conducted by external consultants. The Board will evaluate and determine the training needs of its directors on a continuous basis.

Re-election

The Articles of Association provide that at least one-third of the Board, is subject to retirement by rotation at each Annual General Meeting and that all directors shall retire from office at least once in every three years. The directors to retire in each year are the Directors who have been longest in office since their appointment or re-appointment. A retiring Director is eligible for re-election. The Articles of Association has been amended to provide that even the Managing Director is required to retire at least once in each three years unless there is a subsisting contract under which the Managing Director's retirement would result in the Company being in breach of the contract.

Dato' Lim Kiam Lam, the Managing Director of the Company, has entered into a contract of service with the Company before 1 June 2001 and accordingly is not subject to retirement by rotation in accordance with the requirements of paragraph 7.28 of the Listing Requirements. The retirement of the Managing Director by rotation would result in the Company breaching the contract with the Managing Director.

Directors over 70 years of age are required to submit themselves for re-appointment annually in accordance with Section 129 (6) of the Companies Act, 1965.

B. Directors' remuneration

Remuneration Committee

The Remuneration Committee comprises the following members who are mainly Non-Executive Directors:

- o Dato' Ong Kim Hoay - Chairman
- o Encik Mohd Alkaf Bin Mohd Kahar - Member
- o Dato' Lim Kiam Lam - Member

During the financial year, the Committee met once.

The Company pays its Directors an annual fee which is approved annually by the shareholders. The Board as a whole determines the fee of the Non-Executive Directors with the individual Directors concerned abstaining from decisions in respect of their individual remuneration.

The Remuneration Committee is responsible for recommending the framework of the Executive Directors' remuneration package as well as reviewing their scope of services. The policy adopted by the Remuneration Committee is to recommend remuneration packages in order to attract, retain and motivate Directors in managing the business of the Group. The ultimate approval for the remuneration of the Executive Directors lies with the Board.

Details of the remuneration of the Directors of the Company, during the financial year, are as follows:

	SALARY RM'000	FEES RM'000	BONUS & ALLOWANCES RM'000	STATUTORY CONTRIBUTION RM'000	BENEFIT- IN-KIND RM'000	TOTAL RM'000
Executive Directors	1,760	264	688	322	149	3,183
Non-Executive Directors	-	132	25	-	-	157

Corporate Governance Statement cont'd

The remuneration paid/payable to Directors for the year ended 31 December 2005, is summarised as follows:

RANGE OF REMUNERATION	NUMBER OF DIRECTORS	
	EXECUTIVE	NON-EXECUTIVE
RM0 to RM50,000		1
RM50,001 to RM100,000		2
RM250,001 to RM300,000	1	
RM550,001 to RM600,000	1	
RM650,001 to RM700,000	1	
RM750,001 to RM800,000	1	
RM900,001 to RM950,000	1	

C. Shareholders

The Company recognises the importance of communicating with its shareholders and does this through the Annual Report, Annual General Meetings ("AGM"), Extraordinary General Meetings, public announcements and meetings with analysts upon request. The policy of the Company is to maintain an active dialogue with its shareholders with the intention of giving shareholders an overview of the Group's performance and operations. As the AGM is the main forum used by the Company to communicate with its shareholders, the Chairman normally encourages the shareholders to ask questions both about the resolutions being proposed and the Group's operations in general. The Board members, including certain members of senior management, are present and available at the AGM to respond to questions raised at the meeting by shareholders.

In addition, the Company makes various announcements through Bursa Malaysia Securities Berhad, in particular, the timely release of its quarterly results within two months from the close of a particular quarter. Summaries of the quarterly and the full year's results and copies of the full announcement are supplied to the shareholders and members of the public upon request. Members of the public can also obtain the full financial results and the Company's announcements from Bursa Malaysia's website.

D. Accountability and audit

Financial reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly and yearly announcements of the results to shareholders and the Chairman's Statement in the Annual Report. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

Directors' responsibility statement in respect of the preparation of the audited financial statements

The Directors' responsibility statement is set out in page 21 of this Annual Report.

State of internal controls

The Directors recognise their ultimate responsibility for the Group's system of internal controls and the need to review its effectiveness regularly in order to safeguard the Group's assets and therefore shareholders' investments in the Group. The system, by its nature, can only provide reasonable but not absolute assurance against misstatement, fraud or loss.

The Board is of the view that the current system of internal control in place throughout the Group is sufficient to safeguard the Group's interest.

Relationship with the Auditors

The relationship of the Audit Committee with the internal and external auditors is included in the Audit Committee Report as detailed in pages 23 to 25 of this Annual Report.

A summary of the activities of the Audit Committee during the year is set out in the Audit Committee Report in page 25 of this Annual Report.

COMPLIANCE STATEMENT

The Group has complied, throughout the financial year ended 31 December 2005, with the Best Practices of Corporate Governance set out in Part 2 of the Malaysian Code on Corporate Governance except the following:

- o Although the Nominating Committee has no formal guidelines for new appointments to the Board, it has been the Board's practice, prior to the formation of the Nominating Committee, to evaluate candidates for directorship only those with specific industry experience and professionals with expertise in accounting, banking and finance. The Nominating Committee is expected to continue with this practice;
- o There are no formalised position descriptions which set forth the limits of Management's responsibilities such as the adoption of a Board Charter or Terms of Reference for the Board. This is because the Board views that the current Management Structure fulfils the objectives of the Board in directing and supervising the business affairs of the Group;
- o There is minimal non-financial information furnished to the Board as the bulk of the information provided is financial-oriented in nature. The Board recognises that operational issues are managed and addressed by Executive Directors at the operating unit as well as strategic business unit levels. The Directors, therefore, adopt the view that such operational issues need not be re-addressed at Company level, as the Company is essentially an investment holding company. Nevertheless, the Board does not restrict any of its members, in particular Non-Executive Directors, from receiving such non-financial information in the discharge of their duties and responsibilities;
- o There is no formal orientation and education programme for new recruits to the Board apart from the Mandatory Accreditation Programme that all Directors need to undergo. Nevertheless, the Nominating Committee recruits to the Board only individuals of sufficient calibre, knowledge and experience;
- o The Board does not have a formal schedule of matters specifically reserved to it for decision. However, it has been the practice for the Board to deliberate on matters that involve overall Group strategy and direction, acquisition and divestment policy, approval of capital expenditure, consideration of significant financial matters and the review of the financial and operating performance of the Group; and
- o The Board currently does not have an agreed procedure for Directors, whether as a full Board or in their individual capacity, in furtherance of their duties, to obtain independent professional advice at the Company's expense. The Board is of the view that the matter can be brought before the whole Board for deliberation and decision whenever a need for independent professional advice arises.

Statement of Directors' Responsibility for preparing the Financial Statements

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year.

In preparing the financial statements, the Directors have :

- o adopted suitable accounting policies and applied them consistently;
- o made judgements and estimates that are reasonable and prudent;
- o ensured that all applicable accounting standards have been followed; and
- o prepared financial statements on a going concern basis as the Directors have reasonable expectation, having made enquiries, that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have the responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965 and applicable approved accounting standards. The Directors have the overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

Other Information

Share buybacks

Details of shares re-purchased during the financial year ended 31 December 2005 are as follows:

DATE	NO. OF ORDINARY SHARES PURCHASED	TOTAL COST RM	LOWEST PRICE RM	HIGHEST PRICE RM	AVERAGE PRICE RM
3 May 2005	10,000	19,141	1.90	1.90	1.900
6 December 2005	10,000	10,074	1.00	1.00	1.000
Total	20,000	29,215			

Total cost paid for the shares purchased is inclusive of brokerage fees and stamp duties.

As at end of the financial year:

- o A total of 239,000 re-purchased shares are being held as treasury shares and carried at cost; and
- o No shares have been cancelled.

Options, Warrants or Convertible Securities

During the financial year ended 31 December 2005, a total of 8,164,894 warrants were converted to 8,164,894 ordinary shares of RM1.00 each in the capital of the Company.

Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

Non-Audit Fees

An amount of RM525 was paid to the external auditors being professional fees paid in respect of certain application to some utility board for special concessionary by a subsidiary company.

Material Contracts

Save as disclosed in pages 70 and 71 of this Annual Report, there were no material contracts subsisting as at or entered into since the end of the previous financial year, by the Company or its subsidiaries, which involved the interest of the Directors and major shareholders.

Revaluation Policy

The revaluation policy of the Company is disclosed in Note 2(b) to the Financial Statements.

Audit Committee Report

MEMBERSHIP

The present members of the Committee are as follows:-

Dato' Ong Kim Hoay (Chairman) - *Independent Non-Executive Director*
Encik Mohd Alkaf Bin Mohd Kahar - *Independent Non-Executive Director*
Tan Sri Datuk A. Razak Bin Ramli - *Independent Non-Executive Director*
Dato' Lim Kiam Lam - *Group Managing Director*

TERMS OF REFERENCE

Constitution and Membership

1. The Audit Committee shall be appointed by the Board of Directors from amongst their number and shall consist of not less than three members and at least one member of the Committee:-
 - (i) must be a member of the Malaysian Institute of Accountants; or
 - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three years' working experience and:-
 - (a) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - (b) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.
2. A majority of the Committee members must be Independent Directors.
3. No alternate director is to be appointed as a member of the Committee.
4. The members of the Committee shall elect a chairman from among their number who shall be an Independent Director.
5. The term of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every three years.

Authority

6. The Committee is authorised by the Board to investigate any matter within its terms of reference. It is authorised to seek any information it requires from the external auditors and any employee and all employees are directed to co-operate with any request made by the Committee.
7. The Committee shall have the resources which are required to perform its duties.
8. The Committee is authorised to obtain independent professional or other advice if it considers necessary.

Functions and Duties

9. The functions and duties of the Committee shall be:-
 - (i) To review the following and report the same to the Board of Directors:-
 - (a) with the external auditors, the audit plan;
 - (b) with the external auditors, their evaluation of the system of internal control;
 - (c) with the external auditors, their audit report;
 - (d) the assistance given by the employees of the Company to the external auditors;
 - (e) the adequacy of the scope, functions and resources including the authority of internal audit;

Audit Committee Report cont'd

- (f) the internal audit programme, processes and the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate actions are taken on the recommendations of internal audit functions;
- (g) the quarterly results and year end financial statements prior to the approval by the Board of Directors, focusing particularly on:-
 - o changes in or implementation of accounting policies and practices;
 - o significant and unusual events;
 - o compliance with accounting standards and other legal requirements;
 - o significant adjustments arising from the audit;
 - o the going concern assumption; and
 - o major judgmental areas.
- (h) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity; and
 - (i) external auditors' management letter and management's response.
 - (ii) To consider the major findings of internal investigations and management's response;
 - (iii) To discuss problems and reservations arising from the audit and any matter the auditors may wish to discuss (in the absence of management where necessary);
 - (iv) To consider the appointment of the external auditors, the audit fee and any question of resignation or dismissal;
 - (v) To recommend the nomination of a person or persons as external auditors;
 - (vi) To review any appraisal or assessment of the performance of members of the internal audit function;
 - (vii) To approve any appointment or termination of senior staff members of the internal audit function;
 - (viii) To be informed of the resignation of any internal audit staff member and provide the resigning staff member an opportunity to submit his reasons for resigning; and
 - (ix) To perform any other functions or duties as may be agreed to by the Committee and the Board.

Quorum and Attendance at Meetings

- 10. A quorum shall be two members and the majority of members present must be Independent Directors.
- 11. The Head of Finance, the Head of Internal Audit (where such a function exists) and a representative of the external auditors shall normally attend meetings. Other Board members and employees may attend meetings upon invitation of the Committee. However, at least once in a financial year, the Committee shall meet with the external auditors without executive board members present.
- 12. The external auditors may request a meeting.
- 13. The Secretary to the Committee shall be the Company Secretary.

Frequency of Meetings and Minutes

- 14. Meetings shall be held not less than four times in a financial year.
- 15. Minutes of each meeting shall be distributed to each member of the Board.

MEETINGS

During the financial year ended 31 December 2005 the Audit Committee convened a total of five meetings. The details of attendance of the Committee members are as follows:

MEMBERS	ATTENDANCE
1. Dato' Ong Kim Hoay	Four out of the five meetings
2. Encik Mohd Alkaf Bin Mohd Kahar	All five meetings
3. Tan Sri Datuk A. Razak Bin Ramli	All five meetings
4. Dato' Lim Kiam Lam	All five meetings

The Group Financial Controller and Head of Internal Audit are usually present at the meetings. Representative of the external auditors attended meetings where matters relating to the audit of the statutory accounts were discussed. The Company Secretary was the secretary at the Audit Committee meetings.

SUMMARY OF ACTIVITIES

The Audit Committee carried out its duties in accordance with its terms of reference during the year.

The main activities undertaken by the Committee were as follows:

- o Review of the quarterly and annual financial statements of the Company and the Group prior to submission to the Board of Directors for consideration and approval.
- o Review of the internal audit reports and consideration of the findings and management's responses thereto.
- o Review and discussion with the external auditors on the issues arising from the statutory audit and the audit report.
- o Discussion of problems and reservations arising from external audit, and matters raised by the external auditors.
- o Review of possible related party transactions and conflict of interest situations within the Group.

INTERNAL AUDIT FUNCTION

The internal audit function is independent of the activities or operations of other operating units. The principal role of the function is to undertake independent regular and systematic reviews of the systems of internal control so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. It is the responsibility of the internal audit function to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements.

Statement On Internal Control

INTRODUCTION

Paragraph 15.27(b) of the Listing Requirements of Bursa Malaysia Securities Berhad requires the Board of Directors of public listed companies to include in its annual report a “statement about the state of internal control of the listed issuer as a group”. The Board is committed to maintaining a sound system of internal control in the Group and is pleased to provide the following statement which outlines the nature and scope of internal control of the Group during the year and up to the date of this Annual Report.

BOARD RESPONSIBILITY

The Board is ultimately responsible for the Group's system of internal control which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. Because of the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate, the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

RISK AND CONTROL PROCESSES

The Board confirms that there is a process for identifying, evaluating and managing significant risks faced by the Group, that has been in place throughout the year and up to the date of approval of the Annual Report and financial statements, and that this process is subject to periodic review by the Board. During the year, a Risk Management Committee, headed by the Group Managing Director, was established to better focus on the responsibility to identify and communicate to the Board the critical risks the Group faces, their changes and the management action plans to manage the risks. Prior to this, risk management was grouped under the responsibility of the Strategic Business Unit Management Committee.

The Group has in place an enterprise risk management framework and an internal audit function that combines in-house resources and outsourcing to external consultants in providing the Board with much of the assurance it requires regarding the adequacy and effectiveness of risk management, internal control and governance systems.

The Group adopts a risk-based internal audit function with internal audit strategies and internal audit plans formulated based on the risk profiles of the Group established from the enterprise risk management framework. The internal audit strategies and plans are then reviewed and approved by the Audit Committee. The main focus of internal audit function is to provide an independent review of the risk identification procedures and the internal control procedures on key business activities of the Group. The internal audit findings are reported to the Audit Committee.

The Audit Committee reviews reports from internal audit and from management, before reporting and recommending to the Board in strengthening the risk management, internal control and governance systems. The Committee presents its findings to the Board on a yearly basis or earlier as appropriate. Where areas of improvement in the system are identified, the Board considers the recommendation made by the Audit Committee and the Management.

The Group Managing Director also reports to the Board on significant changes in the business and external environment. The Board is provided with quarterly financial information including, among others, the monitoring of the Company's performance against its budget.

There were no material losses incurred during the current financial year as a result of weaknesses in internal control. The Board and Management continue to take appropriate measures to strengthen the control environment of the Group.

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Directors' Report

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and property management. The principal activities of its subsidiary companies are shown in Note 4 to the financial statements.

There have been no significant changes in the activities of the Company and of its subsidiary companies during the financial year.

FINANCIAL RESULTS

	GROUP RM'000	COMPANY RM'000
Profit before taxation	30,943	49,662
Taxation	(10,626)	(13,148)
Profit after taxation	20,317	36,514
Profit attributable to minority interests	(2,626)	-
Net profit for the financial year	17,691	36,514

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

DIVIDENDS

The Directors do not recommend any final dividend for the financial ended 31 December 2005.

The Company has paid a final dividend of 6.0 sen per share (less 28% income tax) in respect of the financial year ended 31 December 2004 amounting to RM11,798,326 and a special dividend of 4.0 sen per share (less 28% income tax) amount to RM7,865,550. This is an increase of RM584,416 over the amount disclosed in the previous Directors' Report due to additional shares issued in respect of warrants exercised.

An interim dividend of 3.5 sen per share (less 28% income tax) amounting to RM6,882,785 was paid in respect of the financial year ended 31 December 2005.

DIRECTORS

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

Lim Seng Qwee
Dato' Lim Kiam Lam
Lim Sin Seong
Dato' Lim Hong Thye
Dato' Ong Kim Hoay
Mohd Alkaf bin Mohd Kahar
Lim Kien Lip
Tan Sri Datuk A. Razak bin Ramli

In accordance with Section 129(2) of the Companies Act 1965, Dato' Ong Kim Hoay retires, having attained the age of over 70 years. The Board recommends that Dato' Ong Kim Hoay be re-elected in accordance to Section 129(6) of the Companies Act, 1965.

In accordance with Article 101 of the Articles of Association of the Company, Mr Lim Seng Qwee and Encik Mohd Alkaf bin Mohd Kahar retire and, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than those disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which a Director is a member or with a company in which a Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS

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

	NUMBER OF ORDINARY SHARES OF RM1.00 EACH			
	AS AT 01.01.05	ADDITIONS	DISPOSALS	AS AT 31.12.05
Direct interest in shares				
Lim Seng Qwee	2,101,648	1,114,004	-	3,215,652
Dato' Lim Kiam Lam	591,000	-	-	591,000
Dato' Ong Kim Hoay	15,000	-	-	15,000
Mohd Alkaf bin Mohd Kahar	165,000	55,000	-	220,000
Lim Kien Lip	750,000	-	-	750,000
Indirect interest in shares				
Lim Seng Qwee	166,338,575	-	-	166,338,575
Dato' Lim Kiam Lam	166,338,575	-	-	166,338,575
Lim Sin Seong	166,338,575	-	-	166,338,575
Mohd Alkaf bin Mohd Kahar	1,261,455	-	1,261,455	-

	NUMBER OF WARRANTS			AS AT 31.12.05
	AS AT 01.01.05	ADDITIONS	DISPOSALS/ EXERCISED	
Direct interest				
Lim Seng Qwee	600,549	171,185	600,549	171,185
Dato' Lim Kiam Lam	239,000	-	-	239,000
Dato' Ong Kim Hoay	5,000	-	-	5,000
Mohd Alkaf bin Mohd Kahar	55,000	-	55,000	-
Indirect interest				
Lim Seng Qwee	60,248,140	-	-	60,248,140
Dato' Lim Kiam Lam	60,248,140	-	-	60,248,140
Lim Sin Seong	60,248,140	-	-	60,248,140
Mohd Alkaf bin Mohd Kahar	420,485	-	420,485	-

Each 2001/2006 Warrant confers upon the registered shareholders the right to subscribe for one (1) new ordinary share of RM1.00 each in the Company at an exercise price of RM1.00 each at any time within a period of five (5) years expiring 26 July 2006.

Directors' Report cont'd

The Directors' interest in shares in related companies are as follows:

	NUMBER OF ORDINARY SHARES OF RM1.00 EACH			
	AS AT 01.01.05	ADDITIONS	DISPOSALS	AS AT 31.12.05
Ultimate holding company				
- ANN JOO CORPORATION SDN BHD				
Direct interest in shares				
Dato' Lim Kiam Lam	450,000	-	-	450,000
Indirect interest in shares				
Lim Seng Qwee	12,210,000	-	-	12,210,000
Dato' Lim Kiam Lam	14,340,000	-	-	14,340,000
Lim Sin Seong	3,000,000	-	-	3,000,000

By virtue of their interest in the ultimate holding company, Mr Lim Seng Qwee, Mr Lim Sin Seong and Dato' Lim Kiam Lam are also deemed to be interested in the shares of all the subsidiary companies to the extent that the ultimate holding company has an interest in those companies.

Other than as disclosed above, the Directors of the Company do not have any other interest in the shares of the Company or its related companies.

OTHER STATUTORY INFORMATION

Before the balance sheets and income statements of the Group and of the Company were made out, the Directors took reasonable steps:

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- to ensure that any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records had been written down to an amount which they might be expected to realise.

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

- which would render the amounts written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- 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
- not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, 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:

- (a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) except as disclosed in the financial statements, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

The Auditors, Ong Boon Bah & Co, have indicated their willingness to continue in office.

Signed in accordance with a resolution of the Directors dated 6 March 2006.

LIM SENG QWEE
Executive Chairman

DATO' LIM KIAM LAM
Group Managing Director

Petaling Jaya

Statement By Directors

We, LIM SENG QWEE and DATO' LIM KIAM LAM, being two of the Directors of ANN JOO RESOURCES BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 34 to 69 are drawn up in accordance with the provisions of the Companies Act, 1965 and the 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 and cash flows of the Group and of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the Directors 6 March 2006.

LIM SENG QWEE
Director

DATO' LIM KIAM LAM
Director

Petaling Jaya

Statutory Declaration

We, DATO' LIM KIAM LAM and TAY KIM CHUAN, being the Director and Officer respectively, both primarily responsible for the financial management of ANN JOO RESOURCES BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 34 to 69 are, in my opinion, correct and we 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 DATO' LIM KIAM LAM and TAY KIM CHUAN at Subang Jaya, in the state of Selangor on 6 March 2006.

DATO' LIM KIAM LAM

TAY KIM CHUAN

Before me

CHAN LAI SHEONG
B 163
Commissioner for Oaths
Subang Jaya
Selangor

ONG BOON BAH & CO

CHARTERED ACCOUNTANTS

Report Of The Auditors to the members of Ann Joo Resources Berhad

We have audited the financial statements set out on pages 34 to 69. These financial statements are the responsibility of the Company's Directors. Our responsibility is to form an independent opinion, based on our audit, on these 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 towards any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) 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
 - (ii) the state of affairs of the Group and of the Company as at 31 December 2005 and of the results and cash flows of the Group and of the Company for the financial year ended on that date;

and

- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of subsidiary companies of which we have not acted as auditors are shown in Note 4 to the financial statements. We have considered the financial statements of the subsidiary companies and the auditors' reports thereon.

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

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment under Subsection (3) of Section 174 of the Companies Act, 1965.

ONG BOON BAH & CO
AF: 0320
Chartered Accountants

WONG SOO THIAM
1315/12/06(J)
Partner of the Firm

Kuala Lumpur
6 March 2006

B-10-1, Megan Phileo Promenade, 189 Jalan Tun Razak, 50400 Kuala Lumpur
P.O.Box 11077, 50734 Kuala Lumpur
TEL: 03-21630292 FAX: 03-21630316

Balance Sheets

at at 31 December 2005

		GROUP		COMPANY	
	NOTE	2005 RM'000	2004 RM'000 AS RESTATED	2005 RM'000	2004 RM'000
PROPERTY, PLANT AND EQUIPMENT	3	180,971	181,551	10,225	10,522
SUBSIDIARY COMPANIES	4	-	-	160,080	160,080
ASSOCIATED COMPANIES	5	207,350	212,821	215,144	212,380
INVESTMENTS	6	266	268	-	-
INTANGIBLE ASSETS	7	3	28	-	-
CURRENT ASSETS					
Inventories	8	187,934	175,721	-	-
Receivables	9	124,379	107,745	68,031	62,594
Tax recoverables		1,511	2,175	868	1,711
Short term deposits with licensed banks	10	6,650	12,740	-	500
Cash and bank balances		10,148	8,309	29	20
		330,622	306,690	68,928	64,825
CURRENT LIABILITIES					
Payables	11	36,808	29,694	2,927	3,150
Short term borrowings	12	157,035	145,241	-	12,500
Bank overdrafts	13	1,385	854	-	-
Taxation		1,860	8,133	-	-
		197,088	183,922	2,927	15,650
NET CURRENT ASSETS		133,534	122,768	66,001	49,175
		522,124	517,436	451,450	432,157
Financed by:					
SHARE CAPITAL	14	273,376	265,212	273,376	265,212
TREASURY SHARES	15	(353)	(324)	(353)	(324)
OTHER RESERVES	16	70,457	70,457	55,264	55,264
ACCUMULATED PROFITS		139,761	145,045	121,666	111,699
SHAREHOLDERS' FUNDS		483,241	480,390	449,953	431,851
MINORITY INTERESTS		27,141	26,793	-	-
TERM LOAN	17	1,120	-	1,120	-
PROVISION FOR RETIREMENT BENEFITS	18	2,027	1,738	346	306
DEFERRED TAXATION	19	8,595	8,515	31	-
		522,124	517,436	451,450	432,157
Net assets per share (RM)		1.87	1.91		

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

Income Statements

for the Financial Year ended 31 December 2005

	NOTE	GROUP		COMPANY	
		2005 RM'000	2004 RM'000 AS RESTATED	2005 RM'000	2004 RM'000
Revenue	20	565,539	528,566	56,694	80,095
Cost of sales		(499,859)	(422,298)	-	-
Gross profit		65,680	106,268	56,694	80,095
Other operating income		6,752	8,499	38	38
Distribution expenses		(8,751)	(8,747)	-	-
Administration expenses		(16,267)	(16,281)	(6,730)	(8,350)
Profit from operations	21	47,414	89,739	50,002	71,783
Finance costs	22	(6,584)	(4,442)	(340)	(1,029)
Profit before share of results of associated companies		40,830	85,297	49,662	70,754
Share of results of associated companies		(9,887)	11,450	-	-
Profit before taxation		30,943	96,747	49,662	70,754
Taxation	23	(10,626)	(28,138)	(13,148)	(18,038)
Profit after taxation		20,317	68,609	36,514	52,716
Profit attributable to minority interests		(2,626)	(5,722)	-	-
Net profit for the financial year		17,691	62,887	36,514	52,716
Basic earnings per share (sen)	24	6.6	23.7		
Fully diluted earnings per share (sen)	24	6.0	20.9		

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

Consolidated Statement Of Changes In Equity

for the Financial Year ended 31 December 2005

	NOTE	SHARE CAPITAL RM'000	TREASURY SHARES RM'000	OTHER RESERVES RM'000	ACCUMULATED PROFITS RM'000	TOTAL RM'000
Balance at 1 January 2004		265,212	(14)	54,401	104,324	423,923
Excess of share application money		-	-	(2)	-	(2)
Over recognition of realised revaluation reserve in prior year		-	-	583	(583)	-
Reversal of deferred taxation upon disposal of property, plant and equipment within the Group						
- As previously reported		-	-	21,403	-	21,403
- Prior year adjustments	25	-	-	(5,928)	-	(5,928)
- As restated		-	-	15,475	-	15,475
Share of realisation of revaluation reserve upon disposal of property, plant and equipment of an associated company		-	-	-	1,313	1,313
Share buybacks		-	(310)	-	-	(310)
Net profit for the financial year						
- As previously reported		-	-	-	63,199	63,199
- Prior year adjustments	25	-	-	-	(312)	(312)
- As restated		-	-	-	62,887	62,887
Dividends	26	-	-	-	(22,896)	(22,896)
Balance at 31 December 2004		265,212	(324)	70,457	145,045	480,390
Shares issued	14	8,164	-	-	-	8,164
Share of realisation of revaluation reserve upon disposal of property, plant and equipment of an associated company		-	-	-	3,572	3,572
Share buybacks		-	(29)	-	-	(29)
Net profit for the financial year		-	-	-	17,691	17,691
Dividends	26	-	-	-	(26,547)	(26,547)
Balance at 31 December 2005		273,376	(353)	70,457	139,761	483,241

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

Statement Of Changes In Equity

for the Financial Year ended 31 December 2005

	NOTE	SHARE CAPITAL RM'000	TREASURY SHARES RM'000	OTHER RESERVES RM'000	ACCUMULATED PROFITS RM'000	TOTAL RM'000
Balance at 1 January 2004		265,212	(14)	64,674	68,813	398,685
Share buybacks		-	(310)	-	-	(310)
Excess of share application money		-	-	(2)	-	(2)
Reversal of deferred taxation upon disposal of property, plant and equipment		-	-	3,658	-	3,658
Realisation of revaluation reserve upon disposal of property, plant and equipment		-	-	(13,066)	13,066	-
Net profit for the financial year		-	-	-	52,716	52,716
Dividends	26	-	-	-	(22,896)	(22,896)
Balance at 31 December 2004		265,212	(324)	55,264	111,699	431,851
Shares issued		8,164	-	-	-	8,164
Share buybacks		-	(29)	-	-	(29)
Net profit for the financial year		-	-	-	36,514	36,514
Dividends	26	-	-	-	(26,547)	(26,547)
Balance at 31 December 2005		273,376	(353)	55,264	121,666	449,953

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

Consolidated Cash Flow Statement

for the Financial Year ended 31 December 2005

	NOTE	2005 RM'000	2004 RM'000 AS RESTATED
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		30,943	96,747
Adjustments for non-cash items, interests and dividends	27(a)	24,600	(2,233)
Operating profit before working capital changes		55,543	94,514
Increase in inventories		(12,212)	(69,224)
Increase in trade and other receivables		(18,161)	(17,142)
Increase in trade and other payables		3,243	5,694
Increase in amount due to an associated company		3,867	-
Cash generated from operations		32,280	13,842
Tax paid		(18,320)	(21,401)
Retirement benefits paid		(46)	(52)
Interest received		937	3,406
Interest paid		(5,833)	(3,059)
Net cash inflow/(outflow)from operating activities		9,018	(7,264)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		183	555
Purchase of property, plant and equipment		(7,692)	(4,936)
Purchase of additional shares in an associated company		(2,764)	(8,981)
Purchase of quoted investments		-	(42)
Dividend received from an associated company		4,084	3,722
Dividends received from quoted investments		2	-
Interest received		433	70
Net cash outflow from investing activities		(5,754)	(9,612)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		8,164	-
Excess of share application money refunded		-	(2)
Net proceeds from borrowings		12,915	56,177
Share buybacks		(29)	(310)
Interest paid		(272)	(787)
Dividends paid		(26,547)	(22,896)
Dividends paid to minority interests		(2,277)	(2,072)
Net cash (outflow)/inflow from financing activities		(8,046)	30,110
Net (decrease)/increase in cash and cash equivalents		(4,782)	13,234
Cash and cash equivalents at beginning of the financial year		20,195	6,961
Cash and cash equivalents at end of the financial year	27(b)	15,413	20,195

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

Cash Flow Statement

for the Financial Year ended 31 December 2005

	NOTE	2005 RM'000	2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		49,662	70,754
Adjustments for non-cash items, interests and dividends	27(a)	(50,151)	(70,510)
Operating (loss)/profit before working capital changes		(489)	244
(Increase)/Decrease in other receivables		(512)	150
Decrease in other payables		(157)	(1,186)
Cash used in operations		(1,158)	(792)
Retirement benefits paid		(25)	-
Tax refunded		974	-
Net cash outflow from operating activities		(209)	(792)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		-	16
Purchase of property, plant and equipment		(101)	(444)
Purchase of additional shares in a subsidiary company		-	(1,491)
Purchase of additional shares in an associated company		(2,764)	(8,981)
(Advances to)/Repayment from subsidiary companies		(4,926)	3,577
Repayment from/(Advances to) an associated company		1	(2)
Dividend received from an associated company		4,084	3,722
Dividends received from subsidiary companies		33,577	51,500
Interest received		38	15
Net cash inflow from investing activities		29,909	47,912
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		8,164	-
Excess of share application money refunded		-	(2)
Net repayment of borrowing		(11,380)	(12,500)
Share buybacks		(29)	(310)
Repayment to subsidiary companies		(66)	(9,877)
Interest paid		(333)	(1,019)
Dividends paid		(26,547)	(22,896)
Net cash outflow from financing activities		(30,191)	(46,604)
Net (decrease)/increase in cash and cash equivalents		(491)	516
Cash and cash equivalents at beginning of the financial year		520	4
Cash and cash equivalents at end of the financial year	27(b)	29	520

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

Notes To The Financial Statements

31 December 2005

1. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies.

The financial statements comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating activities so as to obtain benefits from their activities. The subsidiary companies are consolidated based on the merger method of accounting in accordance with MASB 21 - Business Combinations, except for AJE Best-On Sdn Bhd, Anshin Casting Industries Sdn Bhd, Lian Tiong Steel Fabrication & Civil Engineering Sdn Bhd, Anshin Precision Industries Sdn Bhd, Ann Joo Distripark Sdn Bhd, Anshin Steel Service Centre Sdn Bhd and ACSAN Steel Service Centre Sdn Bhd which are consolidated based on the acquisition method of accounting.

Under the merger method of accounting, the results of the subsidiary companies are combined throughout the current and previous financial years.

Under the acquisition method of accounting, the results of the subsidiary companies acquired during the financial year are included in the consolidated income statement from the date of acquisition. All inter-company balances and transactions and unrealised surpluses and deficits on transactions between group companies have been eliminated on consolidation. Where necessary, accounting policies for subsidiary companies have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made of minority interests.

Goodwill and reserve arising on consolidation represents the difference between the purchase price and fair value of the net assets of the subsidiary companies acquired, as applicable. Goodwill on consolidation is amortised over a period of ten years. Goodwill is written down immediately through the income statement if there is a permanent diminution in its value. Reserve on consolidation is not amortised.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(o).

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

Land and buildings are revalued at a regular interval of approximately once in every five years with additional valuations in the intervening years where market conditions indicate that the carrying values of the revalued land and buildings materially differs from the market values.

Gains or losses arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the income statement.

Freehold land and capital work-in-progress are not amortised. Leasehold land is amortised over the period of the leases ranging from 60 to 99 years.

Depreciation of the other assets is provided on the straight line or production volume basis to write off the cost of each asset over its estimated useful life.

The principal annual depreciation rates used are:

Buildings	2%
Plant, machinery, tools and equipment	6.67% - 50% / production volume
Furniture, fittings and office equipment	10% - 33.3%
Motor vehicles	20%

Capital work-in-progress represents assets under construction and are stated at cost. Cost comprises cost of plant and equipment and other direct costs incurred for the construction of the assets.

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(c) Associated companies

A company, other than a subsidiary company, in which the Group has a long term equity investment of between 20% and 50% and where the Group has representation on the Board and is in a position to exercise significant influence is accounted for as an associated company.

The Group's investment in associated companies are accounted for under the equity method of accounting based on audited or management financial statements of the associated companies made up to the Group's financial year end. The equity method of accounting involves recognising in the income statement the Group's share of results of associated companies for the financial year. The Group's investment in associated companies is carried in the balance sheet at an amount that reflects its share of the net assets of the associated companies and includes premium on acquisition (net of accumulated amortisation). Equity accounting is discontinued when the carrying amount of the investment in an associated company reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.

Unrealised gain on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associated companies to ensure consistency of accounting policies within the Group.

(d) Investments

Investment in subsidiary and associated companies in the Company's financial statements are stated at cost. Where there is an indication of impairment in the value of the assets, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(o).

Other non-current investments are stated at cost less allowance for diminution in value of investment to recognise any decline, other than a temporary decline in the value of the investment.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged/credited to the income statement.

(e) Intangible assets

Intangible assets comprise pre-commercial production expenses, is amortised on a straight line basis over a period of ten years upon commencement of operation or commercial production. These expenses will be written off if future economic benefits relating to the intangible assets cannot be determined with reasonable certainty.

(f) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis or specific identification method. The cost of raw materials, comprises the original purchase price plus costs incurred in bringing the inventories to their present locations and conditions. The cost of finished goods comprises the cost of raw materials, direct labour, direct charges and a proportions of production overheads.

Inventories of properties are stated at lower of cost and net realisable value. Cost is determined on specific identification method.

Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

(g) Receivables

Receivables are carried at anticipated realisable value. Specific allowances are made for doubtful debts which have been individually reviewed and identified as bad or doubtful. In addition, general allowances are made to cover possible losses which are not specifically identified.

(h) Payables

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

Notes To The Financial Statements cont'd

31 December 2005

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(i) Income tax

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

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither profit nor taxable profit.

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

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

(j) Revenue recognition

Revenue from sales of goods or services are recognised when the goods are delivered or upon performance of services.

Interest income and management fee income are recognised on an accrual basis.

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividend income from subsidiary companies and other investments are recognised when the right to receive payment is established.

(k) Foreign currency

The financial statements are stated in Ringgit Malaysia.

Transactions in foreign currencies are converted into Ringgit Malaysia at the rates of exchange ruling at the transaction dates or at contracted rates where applicable. Monetary assets and liabilities in foreign currencies at the financial year end are translated into Ringgit Malaysia at the rates of exchange ruling at that date or at contracted rates, where applicable. All exchange differences arising therefrom are included in the income statement.

Forward foreign exchange contracts are not recognised in the financial statements on inception. The underlying foreign currency assets or liabilities are translated at their respective hedged exchange rates and all exchange gains or losses are recognised as income or expense in the income statement in the same period as the exchange differences on the underlying hedged items. Exchange gains and losses arising on contracts entered into as hedges of anticipated future transactions are deferred until the date of such transactions, at which time they are included in the measurement of such transactions.

The principal closing rates used in the translation of foreign currency amounts are as follows:

FOREIGN CURRENCY	2005 RM	2004 RM
1 USD	3.780	3.800
1 SGD	2.271	2.250

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, bank overdrafts, demand deposits and other short-term and highly liquid investments which are readily convertible to cash with insignificant risk of changes in value.

(m) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred.

(n) Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, deposits, investments, receivables, payables and borrowings. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

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

(o) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the assets recoverable amounts are estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and its value in use.

An impairment loss is charged to the income statement unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(p) Employee benefits

(i) *Short term benefits*

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

(ii) *Defined contribution plans*

The Group's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

Notes To The Financial Statements cont'd

31 December 2005

3. PROPERTY, PLANT AND EQUIPMENT

	LAND AND BUILDINGS RM'000	PLANT, MACHINERY, TOOLS AND EQUIPMENT RM'000	FURNITURE, FITTINGS AND OFFICE EQUIPMENT RM'000	MOTOR VEHICLES RM'000	CAPITAL WORK-IN- PROGRESS RM'000	TOTAL RM'000
GROUP						
COST/VALUATION						
At 1 January 2005						
- As previously reported	182,159	90,697	7,717	7,009	13	287,595
- Prior year adjustments	(4)	-	-	-	-	(4)
- As restated	182,155	90,697	7,717	7,009	13	287,591
Additions	-	3,643	770	523	2,756	7,692
Disposals	-	(172)	(24)	(521)	(6)	(723)
Written off	-	(794)	(251)	-	-	(1,045)
Reclassification	102	(96)	1	-	(7)	-
At 31 December 2005	182,257	93,278	8,213	7,011	2,756	293,515
Representing items at:						
Cost	302	93,278	8,213	7,011	2,756	111,560
Valuation	181,955	-	-	-	-	181,955
	182,257	93,278	8,213	7,011	2,756	293,515
ACCUMULATED DEPRECIATION						
At 1 January 2005						
- As previously reported	18,118	77,132	5,676	3,895	-	104,821
- Prior year adjustments	191	21	-	-	-	212
- As restated	18,309	77,153	5,676	3,895	-	105,033
Charge for the financial year	2,226	3,907	824	1,049	-	8,006
Disposals	-	(138)	(23)	(436)	-	(597)
Written off	-	(669)	(236)	-	-	(905)
At 31 December 2005	20,535	80,253	6,241	4,508	-	111,537
ACCUMULATED IMPAIRMENT LOSSES						
At 1 January 2005	1,007	-	-	-	-	1,007
At 31 December 2005	1,007	-	-	-	-	1,007
NET BOOK VALUE						
At 31 December 2005	160,715	13,025	1,972	2,503	2,756	180,971
At 31 December 2004						
- As previously reported	163,034	13,565	2,041	3,114	13	181,767
- Prior year adjustments	(195)	(21)	-	-	-	(216)
- As restated	162,839	13,544	2,041	3,114	13	181,551
Depreciation charge for the financial year ended 31 December 2004						
- As previously reported	1,248	4,057	748	808	-	6,861
- Prior year adjustments	191	21	-	-	-	212
- As restated	1,439	4,078	748	808	-	7,073

3. PROPERTY, PLANT AND EQUIPMENT cont'd

Analysis of land and buildings are as follows:

	FREEHOLD LAND RM'000	LONG TERM LEASEHOLD LAND RM'000	BUILDINGS RM'000	TOTAL RM'000
COST/VALUATION				
At 1 January 2005				
- As previously reported	20,028	92,729	69,402	182,159
- Prior year adjustments	-	(4)	-	(4)
- As restated	20,028	92,725	69,402	182,155
Reclassification	61	3	38	102
At 31 December 2005	20,089	92,728	69,440	182,257
ACCUMULATED DEPRECIATION				
At 1 January 2005				
- As previously reported	-	6,021	12,097	18,118
- Prior year adjustments	-	124	67	191
- As restated	-	6,145	12,164	18,309
Charge for the financial year	-	1,052	1,174	2,226
At 31 December 2005	-	7,197	13,338	20,535
ACCUMULATED IMPAIRMENT LOSSES				
At 1 January 2005	43	964	-	1,007
At 31 December 2005	43	964	-	1,007
NET BOOK VALUE				
At 31 December 2005	20,046	84,567	56,102	160,715
At 31 December 2004				
- As previously reported	19,985	85,744	57,305	163,034
- Prior year adjustments	-	(128)	(67)	(195)
- As restated	19,985	85,616	57,238	162,839
Depreciation charge for the financial year ended 31 December 2004				
- As previously reported	-	570	678	1,248
- Prior year adjustments	-	124	67	191
- As restated	-	694	745	1,439

Notes To The Financial Statements cont'd

31 December 2005

3. PROPERTY, PLANT AND EQUIPMENT cont'd

Analysis of land and buildings are as follows:

	LONG TERM LEASEHOLD LAND RM'000	FURNITURE, FITTINGS AND OFFICE EQUIPMENT RM'000	MOTOR VEHICLES RM'000	TOTAL RM'000
COMPANY				
COST/VALUATION				
At 1 January 2005	10,766	1,234	1,321	13,321
Additions	-	39	62	101
At 31 December 2005	10,766	1,273	1,383	13,422
Representing items at:				
Cost	302	1,273	1,383	2,958
Valuation	10,464	-	-	10,464
At 31 December 2005	10,766	1,273	1,383	13,422
ACCUMULATED DEPRECIATION				
At 1 January 2005	27	1,072	736	1,835
Charge for the financial year	109	52	237	398
At 31 December 2005	136	1,124	973	2,233
ACCUMULATED IMPAIRMENT LOSSES				
At 1 January 2005	964	-	-	964
At 31 December 2005	964	-	-	964
NET BOOK VALUE				
At 31 December 2005	9,666	149	410	10,225
At 31 December 2004	9,775	162	585	10,522
Depreciation charge for the financial year ended 31 December 2004	27	52	235	314

The titles of certain pieces of land and buildings of a subsidiary company has yet to be registered in their name.

The land and buildings were revalued on 31 December 2003 based on valuation carried out by Mr. Paul Khong Poh Yew, a valuer (V528) registered with the Board of Valuers, Appraisals and Estate Agents Malaysia and the associate director of Regroup Associates Sdn Bhd, a firm of property valuers based on open market basis.

The land and buildings if stated at cost less depreciation would amount to RM88.05 million (2004: RM89.28 million).

4. SUBSIDIARY COMPANIES

	COMPANY	
	2005 RM'000	2004 RM'000
Unquoted shares at cost	162,999	162,999
Impairment losses	(2,919)	(2,919)
	160,080	160,080

The subsidiary companies are:

NAME OF COMPANY	COUNTRY OF INCORPORATION	HOLDING IN EQUITY		PRINCIPAL ACTIVITIES
		2005	2004	
AJE Best-On Sdn Bhd	Malaysia	#100%	#100%	Trading in hardware, steel and iron products and building and construction materials of all kinds
Ann Joo Metal Sdn Bhd	Malaysia	100%	100%	Trading, retailing, importing, exporting and supplying of all kinds of metal products
Ann Joo (Sarawak) Sdn Bhd*	Malaysia	100%	100%	Trading in hardware and steel materials
Ann Joo Trading Sdn Bhd	Malaysia	100%	100%	Trading, retailing and supplying of all kinds of building and construction materials
Anshin Casting Industries Sdn Bhd	Malaysia	#100%	#100%	Manufacturing and trading of cast iron products, sluice valves and other steel related products
Anshin Precision Industries Sdn Bhd*	Malaysia	59%	59%	Manufacturing and trading in precision press parts
Anshin Steel Industries Sdn Bhd	Malaysia	100%	100%	Manufacturing, sales and distribution of steel and iron products and property management
Anshin Steel Service Centre Sdn Bhd	Malaysia	60%	60%	Operations of a steel service centre
Lian Tiong Steel Fabrication & Civil Engineering Sdn Bhd*	Malaysia	#100%	#100%	Letting of properties
Saga Makmur Industri Sdn Bhd	Malaysia	72%	72%	Steel bar service centre and trading of steel related products
Ann Joo Distripark Sdn Bhd	Malaysia	100%	100%	Property management
ACSAN Steel Service Centre Sdn Bhd	Malaysia	57%	57%	Steel service centre

Holding in equity by subsidiary companies.

* Financial statements of subsidiary companies as at 31 December 2005 not audited by Ong Boon Bah & Co.

Notes To The Financial Statements cont'd

31 December 2005

5. ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Unquoted shares in Malaysia at cost	1,800	1,800	-	-
Impairment losses	(1,800)	(1,800)	-	-
	-	-	-	-
Quoted shares in Malaysia at cost	215,144	212,380	215,144	212,380
	215,144	212,380	215,144	212,380
Share of realisation of revaluation reserve upon disposal of property, plant and equipment	3,572	1,313	-	-
Share of accumulated losses	(11,366)	(872)	-	-
	207,350	212,821	215,144	212,380
Market value of quoted shares	96,442	135,711	96,442	135,711

The Group's interest in the associated companies are analysed as follows:

	GROUP	
	2005 RM'000	2004 RM'000
Share of net assets	174,096	174,171
Premium on acquisition net of amortisation of RM13.190 million (2004: RM10.805 million)	33,254	38,650
	207,350	212,821

The associated companies are:

NAME OF COMPANY	COUNTRY OF INCORPORATION	HOLDING IN EQUITY		ACCOUNTING YEAR END	PRINCIPAL ACTIVITIES
		2005	2004		
Daian Technical Industries Sdn Bhd*	Malaysia	#36%	#36%	31 December	Manufacturing of die tooling
Malayawata Steel Berhad*	Malaysia	32.99%	32.06%	31 March	Steel mill and property investment holding company

The investment in the quoted shares of an associated company with a carrying amount of RM203.40 million has been placed as security for a credit facility granted to the Company.

Holding in equity by a subsidiary company.

* Financial statements of associated companies are not audited by Ong Boon Bah & Co.

6. INVESTMENTS

	GROUP	
	2005 RM'000	2004 RM'000
Club memberships at cost	179	179
Amortisation:		
Balance brought forward	(14)	(11)
Current year	(2)	(3)
	163	165
Quoted shares in Malaysia at cost	46	46
Unquoted shares in Malaysia at cost	57	57
	266	268
Market value of quoted shares	22	43

7. INTANGIBLE ASSETS

	GROUP	
	2005 RM'000	2004 RM'000
Goodwill on consolidation	216	216
Cumulative amortisation at 1 January	(197)	(178)
Amortisation for the current financial year	(18)	(19)
	1	19
Pre-commercial production expenses, at cost	75	75
Cumulative amortisation at 1 January	(66)	(58)
Amortisation for the current financial year	(7)	(8)
	2	9
Total	3	28

8. INVENTORIES

	GROUP	
	2005 RM'000	2004 RM'000
At cost:		
Raw materials	38,170	45,876
Finished goods	147,563	124,535
Work-in-progress	577	3,511
Consumables	559	435
Properties	-	299
	186,869	174,656
At valuation:		
Properties	1,065	1,065
	187,934	175,721

The revalued properties if stated at cost would amount to RM1.16 million (2004: RM1.16 million).

Notes To The Financial Statements cont'd

31 December 2005

9. RECEIVABLES

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade receivables	123,350	98,777	-	-
Allowance for doubtful debts	(9,612)	(8,096)	-	-
	113,738	90,681	-	-
Other receivables	2,584	374	1	2
Allowance for doubtful debts	(32)	(32)	-	-
	2,552	342	1	2
Deposits	2,679	2,194	19	22
Prepayments	2,219	10,805	588	68
Amount due from subsidiary companies	-	-	67,422	62,496
Amount due from an associated company	-	-	1	2
Amount due from related parties	3,191	3,723	-	4
	124,379	107,745	68,031	62,594

Amount due from subsidiary companies which arose mainly from amount outstanding from the disposal of property, plant and equipment, inter-company advances and payment made on behalf are unsecured, interest free and have no fixed repayment terms.

Amount due from an associated company which arose mainly from payments made on behalf is unsecured, interest free and has no fixed repayment terms.

Amount due from related parties which arose from trade transactions are subject to normal trade credit terms.

The Group's normal trade credit terms range from 14 days to 120 days.

Related companies balances:

	COMPANY	
	2005 RM'000	2004 RM'000
Amount due from subsidiary companies		
Ann Joo Metal Sdn Bhd	1,686	33
Ann Joo Trading Sdn Bhd	-	4
Ann Joo (Sarawak) Sdn Bhd	-	2
Anshin Casting Industries Sdn Bhd	-	11
Ann Joo Distripark Sdn Bhd	65,709	62,381
Saga Makmur Industri Sdn Bhd	27	21
Anshin Precision Industries Sdn Bhd	-	20
Anshin Steel Service Centre Sdn Bhd	-	15
ACSAN Steel Service Centre Sdn Bhd	-	9
	67,422	62,496

Related parties balances

	COMPANY	
	2005 RM'000	2004 RM'000
Amount due from an associated company:		
Malayawata Steel Berhad	1	2

9. RECEIVABLES cont'd

Amount due from related parties:

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Chuan Huat Hardware (Sdn) Berhad	1,361	871	-	-
Hitec Metal Sdn Bhd	187	270	-	-
Leong Chong Steel Sdn Bhd	545	541	-	-
Silveron Builders Sdn Bhd	958	1,115	-	-
Soon Hin Hardware Sdn Bhd	140	922	-	-
Ann Joo Land Sdn Bhd	-	4	-	4
	3,191	3,723	-	4

10. SHORT TERM DEPOSITS WITH LICENSED BANKS

Short term deposits of the Group carry effective interest rates range from 1.3% to 3.0% (2004: 2.2% to 3.0%) per annum and have maturity period range from 4 days to 31 days (2004: 4 days to 31 days).

11. PAYABLES

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade payables	8,582	10,671	-	-
Other payables	2,088	610	460	582
Accruals	9,092	10,549	965	1,002
Deposits	6,962	1,707	-	-
Amount due to subsidiary companies	-	-	2	66
Amount due to associated companies	8,468	4,601	-	-
Amount due to related parties	116	56	-	-
Provision for retirement benefits (Note 18)	1,500	1,500	1,500	1,500
	36,808	29,694	2,927	3,150

The normal trade credit terms granted to the Group range from 14 days to 90 days.

Amount due to subsidiary companies which arose mainly from inter-company advances and payments made on behalf are unsecured, bear interest at rates ranging from 3.0% to 3.1% (2004: 3.0% to 3.1%) per annum and have no fixed repayment terms.

Amount due to associated companies which arose mainly from trade transactions are subject to normal trade credit terms.

Related companies balances:

	COMPANY	
	2005 RM'000	2004 RM'000
Amount due to subsidiary companies		
Anshin Steel Industries Sdn Bhd	1	66
Anshin Precision Industries Sdn Bhd	1	-
	2	66

Notes To The Financial Statements cont'd

31 December 2005

11. PAYABLES cont'd

Related parties balances:

	GROUP	
	2005 RM'000	2004 RM'000
Amount due to associated companies		
Malayawata Steel Berhad	8,265	4,362
Daian Technical Industries Sdn Bhd	203	239
	8,468	4,601

Amount due to related parties:

	GROUP	
	2005 RM'000	2004 RM'000
Scandata Systems Sdn Bhd	-	44
Leong Chong Steel Sdn Bhd	-	12
Teguh Cemerlang Logistics Sdn Bhd	116	-
	116	56

12. SHORT TERM BORROWINGS

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Unsecured:				
Bills payable	154,435	132,741	-	-
Revolving credit	2,600	-	-	-
	157,035	132,741	-	-
Secured:				
Term loan (Note 17)	-	12,500	-	12,500
	157,035	145,241	-	12,500

Short term borrowings bear interest at rates ranging from 2.8% to 6.8% (2004: 2.4% to 6.6%) per annum.

13. BANK OVERDRAFTS

	GROUP	
	2005 RM'000	2004 RM'000
Unsecured	1,385	854

Bank overdrafts bear interest at rates ranging from 6.5% to 7.0% (2004: 6.5% to 7.0%) per annum.

14. SHARE CAPITAL

	GROUP AND COMPANY	
	2005	2004
	RM'000	RM'000
Authorised:		
500,000,000 Ordinary shares of RM1.00 each	500,000	500,000
Issued and fully paid:		
Ordinary shares of RM1.00 each		
At beginning of the financial year	265,212	265,212
8,164,894 shares issued pursuant to exercise of warrants	8,164	-
At end of the financial year	273,376	265,212

As at 31 December 2005, there were 75,865,106 warrants with a right to subscribe for ordinary shares of the Company, on the basis of one new ordinary share for every one warrant held, at the subscription price of RM1.00 per ordinary share, not exercised. These warrant holders may exercise their right at anytime within a period of five (5) years expiring 26 July 2006.

15. TREASURY SHARES

	GROUP AND COMPANY	
	2005	2004
	RM'000	RM'000
At cost,		
At beginning of the financial year	(324)	(14)
Acquired during the financial year	(29)	(310)
At end of the financial year	(353)	(324)

The shareholders of the Company, by a resolution passed in a general meeting held on 16 June 2005, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the purchase plan can be applied in the best interests of the Company.

During the financial year, the Company repurchased 20,000 of its issued shares from the open market. The average price paid for the shares repurchased was RM1.46 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

There are no treasury shares cancelled or distributed as share dividends and/or re-issued during the financial year.

Notes To The Financial Statements cont'd

31 December 2005

16. OTHER RESERVES

	NON-DISTRIBUTABLE					
	SHARE PREMIUM RM'000	CAPITAL RESERVE RM'000	RESERVE ON CONSOLIDATION RM'000	REVALUATION RESERVE RM'000	MERGER RESERVE RM'000	TOTAL RM'000
GROUP						
Balance at 1 January 2004	34,426	2,500	5,657	54,793	(42,975)	54,401
Excess of share application money	(2)	-	-	-	-	(2)
Reversal of deferred taxation upon disposal of property, plant and equipment within the Group						
- As previously reported	-	-	-	21,403	-	21,403
- Prior year adjustments	-	-	-	(5,928)	-	(5,928)
- As restated	-	-	-	15,475	-	15,475
Over recognition of realised revaluation reserve in prior year	-	-	-	583	-	583
Balance at 31 December 2004	34,424	2,500	5,657	70,851	(42,975)	70,457
Balance at 31 December 2005	34,424	2,500	5,657	70,851	(42,975)	70,457

	NON-DISTRIBUTABLE		
	SHARE PREMIUM RM'000	REVALUATION RESERVE RM'000	TOTAL RM'000
COMPANY			
Balance at 1 January 2004	55,266	9,408	64,674
Excess of share application money	(2)	-	(2)
Reversal of deferred taxation upon disposal of property, plant and equipment	-	3,658	3,658
Realisation of revaluation reserve upon disposal of property, plant and equipment	-	(13,066)	(13,066)
Balance at 31 December 2004	55,264	-	55,264
Balance at 31 December 2005	55,264	-	55,264

17. TERM LOAN

	GROUP AND COMPANY	
	2005 RM'000	2004 RM'000
Term loan - secured	1,120	12,500
Portion repayable within one year and included under short term borrowings (Note 12)	-	(12,500)
	1,120	-
The term loan is repayable over the following periods:		
Within one year	-	12,500
From one to two years	1,120	-
	1,120	12,500

The term loan is secured by the investment in the quoted shares of an associated company.

Term loan bear interest at rates ranging from 3.75% to 4.40% (2004: 4.40%) per annum.

18. PROVISION FOR RETIREMENT BENEFITS

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Balance at beginning of the financial year	3,238	1,916	1,806	420
Transfer from income statements	335	1,374	65	1,386
Amount paid during the financial year	(46)	(52)	(25)	-
Balance at end of the financial year	3,527	3,238	1,846	1,806

Provision for retirement benefits are payable over the following periods:

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Within one year (Note 11)	1,500	1,500	1,500	1,500
More than one year	2,027	1,738	346	306
	3,527	3,238	1,846	1,806

19. DEFERRED TAXATION

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000 As RESTATED	2005 RM'000	2004 RM'000
Balance at beginning of the financial year	8,515	24,112	-	4,168
Reversal of deferred taxation upon disposal of property, plant and equipment	-	-	-	(3,658)
Reversal of deferred taxation upon disposal of property, plant and equipment within the Group	-	(15,475)	-	-
Transfer from/(to) income statements (Note 23)	80	(122)	31	(510)
Balance at end of the financial year	8,595	8,515	31	-

The components and movements of deferred tax liabilities during the financial year are as follows:

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000 As RESTATED	2005 RM'000	2004 RM'000
At beginning of the financial year	8,515	24,112	-	4,168
Recognised in income statement	80	(122)	31	(510)
Recognised in equity statement	-	(15,475)	-	(3,658)
At end of the financial year	8,595	8,515	31	-

Deferred tax liabilities provided for in the financial statements:

Tax effects on revaluation of property, plant and equipments	5,928	5,928	-	-
Excess of capital allowances over depreciation	2,667	2,587	31	-
	8,595	8,515	31	-

Notes To The Financial Statements cont'd

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20. REVENUE

Revenue of the Group and of the Company consists of the following:

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Sale of goods	561,487	524,617	-	-
Rental income	4,052	3,949	-	2,145
Dividend income	-	-	50,909	73,903
Management fee	-	-	5,785	4,047
	565,539	528,566	56,694	80,095

21. PROFIT FROM OPERATIONS

(a) Profit from operations is arrived at:

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000 AS RESTATED	2005 RM'000	2004 RM'000
After charging:				
Allowance for doubtful debts	1,656	1,892	-	-
Amortisation of:				
- intangible assets	7	8	-	-
- investment in club memberships	2	3	-	-
- goodwill on consolidation	18	19	-	-
Auditors' remuneration				
- current year	68	68	12	12
- prior year	(1)	2	-	-
Bad debts written off	-	140	-	-
Depreciation	8,006	7,073	398	314
Impairment loss for a subsidiary company	-	-	-	708
Property, plant and equipment written off	140	247	-	-
Rental of equipment	46	43	-	-
Rental of premises	212	230	299	274
Staff costs (Note 21(b))	23,484	24,156	4,891	4,279
And crediting:				
Allowance for doubtful debts written back	111	1,466	-	-
Bad debts written back	16	87	-	-
Dividend income from:				
- an associated company	-	-	5,170	5,170
- subsidiary companies	-	-	45,739	68,733
- quoted investments	2	-	-	-
Gain on disposal of property, plant and equipment	57	356	-	19
Gain on foreign exchange - realised	652	260	-	-
Interest income from:				
- others	1,370	3,476	16	15
- subsidiary companies	-	-	22	-
Management fee income from:				
- subsidiary companies	-	-	5,785	4,047
- related party	4	3	-	-
Rental income from:				
- associated companies	2,216	2,383	-	44
- a related party	53	53	-	22
- others	1,783	1,513	-	-
- subsidiary companies	-	-	-	2,079

(b) Staff costs

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Salaries, wages and bonus	19,688	19,394	4,277	2,552
Defined contributions plan	2,120	2,131	514	326
Retirement benefits	335	1,374	65	1,386
Other staff related expenses	1,341	1,257	35	15
	23,484	24,156	4,891	4,279

Included in staff costs is directors' remuneration as follows:

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Fees	396	402	282	287
Salaries and other emoluments	2,506	2,590	1,343	1,428
Defined contributions plan	322	335	177	187
Retirement benefits	101	1,409	19	1,361
	3,325	4,736	1,821	3,263

The estimated money value of benefits provided to the Directors of the Group and of the Company by way of usage of the Group and of the Company's assets and the provision of other benefits amounted to RM116,000 (2004: RM121,000) and RM63,000 (2004: RM75,000) respectively.

22. FINANCE COSTS

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Bank commissions and charges	(454)	(569)	(7)	(10)
Banker's guarantee commission	(25)	(27)	-	-
	(479)	(596)	(7)	(10)
Interest expenses on:				
- subsidiary companies balances	-	-	(6)	(152)
- bank overdrafts	(82)	(47)	-	-
- bills payable	(3,217)	(2,407)	-	-
- revolving credit	(12)	-	-	-
- term loan	(327)	(867)	(327)	(867)
- others	(2,467)	(525)	-	-
	(6,584)	(4,442)	(340)	(1,029)

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23. TAXATION

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000 As RESTATED	2005 RM'000	2004 RM'000
Current year	(25,795)	(43,357)	(13,117)	(18,502)
Prior years	(332)	(3)	-	(46)
Recovery of tax deducted at source on dividend received from subsidiary and associated companies	13,417	18,849	-	-
Deferred taxation (Note 19)	(80)	122	(31)	510
	(12,790)	(24,389)	(13,148)	(18,038)
Share of taxation of an associated company				
- Current year	94	(757)	-	-
- Prior year	-	(62)	-	-
- Deferred taxation	2,070	(2,930)	-	-
	(10,626)	(28,138)	(13,148)	(18,038)

The numerical reconciliation between the average effective tax rate and the applicable tax rate are as follows:

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000 As RESTATED	2005 RM'000	2004 RM'000
Profit before taxation	30,943	96,747	49,662	70,754
	%	%	%	%
Applicable statutory tax rate	(28)	(28)	(28)	(28)
Income not subject to tax	-	-	2	3
Expenses not deductible for tax purposes	(16)	(1)	-	(1)
Utilisation of tax losses and capital allowances	4	4	-	-
Prior years	(1)	-	-	-
Deferred taxation	-	-	-	1
Share of taxation of an associated company	7	(4)	-	-
Average effective tax rate	(34)	(29)	(26)	(25)

The Company has an estimated accumulated tax exempt profits amounting to RM18.20 million (2004: RM14.60 million) available for the payment of tax exempt dividend.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of dividend out of the accumulated profits as at 31 December 2005.

These amounts are subject to the agreement with the tax authority.

24. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the Group's profit after taxation and minority interests of RM17.69 million (2004: RM62.89 million) by the weighted average number of ordinary shares of the Company in issued during the financial year of 269.87 million (2004: 265.05 million).

Fully diluted earnings per share is calculated by dividing the Group's profit after taxation and minority interests of RM17.69 million (2004: RM62.89 million) by the weighted average number of ordinary shares of 297.25 million (2004: 301.60 million) and warrants that would have been exercised at that date.

25. PRIOR YEAR ADJUSTMENTS

Certain comparative figures as at 31 December 2004 have been restated due to rescission of the disposal of a piece of long leasehold land and buildings erected thereon together with machinery/equipment from Anshin Steel Industries Sdn Bhd to Ann Joo Distripark Sdn Bhd, both wholly-owned subsidiary companies of the Company which include the following:

- Property, plant and equipment
- Taxation
- Revaluation reserve
- Accumulated profits
- Deferred taxation

The accumulated profits as at 31 December 2004 has been restated due to the following adjustments:

	RM'000
Effects on accumulated profits:	
At 1 January, as previously stated	145,357
Adjustments:	
Deprecation	(212)
Taxation	(138)
Deferred taxation	38
At 1 January, as restated	145,045

26. DIVIDENDS

	GROUP AND COMPANY			
	2005		2004	
	RM'000 GROSS DIVIDEND PER SHARE (SEN)	RM'000 AMOUNT OF DIVIDEND, NET OF TAX RM'000	RM'000 GROSS DIVIDEND PER SHARE (SEN)	RM'000 AMOUNT OF DIVIDEND, NET OF TAX RM'000
Final dividend	6.0	11,798	6.0	11,448
Special dividend	4.0	7,866	-	-
First interim paid	3.5	6,883	6.0	11,448
		26,547		22,896

The Company has paid a final dividend of 6.0 sen per share (less 28% income tax) in respect of the financial year ended 31 December 2004 amounting to RM11,798,326 and a special dividend of 4.0sen per share (less 28% income tax) amounting to RM7,865,550. This is an increase of RM584,416 over the amount disclosed in the previous Directors' Report due to additional shares issued in respect of warrants exercised.

An interim dividend of 3.5 sen per share (less 28% income tax) amounting to RM6,882,785 was paid in respect of the financial year ended 31 December 2005.

Notes To The Financial Statements cont'd

31 December 2005

27. CASH FLOW STATEMENTS

(a) Adjustments for non-cash items, interests and dividends

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000 AS RESTATED	2005 RM'000	2004 RM'000
Allowance for doubtful debts	1,656	1,892	-	-
Allowance for doubtful debts written back	(111)	(1,466)	-	-
Amortisation of goodwill on consolidation and intangible assets	25	27	-	-
Amortisation of investment in club memberships	2	3	-	-
Bad debt written back	(16)	(87)	-	-
Bad debts written off	-	140	-	-
Depreciation	8,006	7,073	398	314
Dividend income	(2)	-	(50,909)	(73,903)
Gain on disposal of property, plant and equipment	(57)	(356)	-	(19)
Impairment loss for a subsidiary company	-	-	-	708
Interest expenses	6,105	3,846	333	1,019
Interest income	(1,370)	(3,476)	(38)	(15)
Property, plant and equipment written off	140	247	-	-
Retirement benefits	335	1,374	65	1,386
Share of results of associated companies	9,887	(11,450)	-	-
	24,600	(2,233)	(50,151)	(70,510)

(b) Cash and cash equivalents at end of the financial year

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Bank overdrafts	(1,385)	(854)	-	-
Cash and bank balances	10,148	8,309	29	20
Short term deposits with licensed banks	6,650	12,740	-	500
	15,413	20,195	29	520

28. SEGMENT ANALYSIS - GROUP

Business segments:

(a) Iron and steel - Manufacture and trading of hardware, steel and iron products, building and construction materials of all kinds and operations of steel services centre.

(b) Investment holdings and property management

The directors are of the opinion that all inter-segment transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

2005

	IRON & STEEL		INVESTMENT HOLDING AND PROPERTY MANAGEMENT	ELIMINATIONS	CONSOLIDATED
	TRADING RM'000	MANUFACTURING RM'000	RM'000	RM'000	RM'000
REVENUE					
External sales	286,480	275,861	3,198	-	565,539
Inter-segment sales	6,694	18,244	60,083	(85,021)	-
Total sales	293,174	294,105	63,281	(85,021)	565,539

28. SEGMENT ANALYSIS - GROUP cont'd

2005 cont'd

	IRON & STEEL		INVESTMENT HOLDING AND PROPERTY MANAGEMENT	ELIMINATIONS	CONSOLIDATED
	TRADING RM'000	MANUFACTURING RM'000	RM'000	RM'000	RM'000
RESULTS					
Segment results	28,237	23,683	(5,876)	-	46,044
Finance costs					(6,584)
Interest income					1,370
Share of results of associated companies					(9,887)
Taxation					(10,626)
Profit after taxation					20,317
OTHER INFORMATION					
Segment assets	185,855	190,740	133,756	-	510,351
Investment in associated companies					207,350
Total segment assets					717,701
Total segment liabilities	114,058	78,934	5,383	-	198,375
Capital expenditure	942	3,894	2,856	-	7,692
Depreciation	740	5,133	2,133	-	8,006
Amortisation of goodwill	18	-	-	-	18
Amortisation of investment	-	2	-	-	2
Amortisation of intangible assets	-	7	-	-	7

Notes To The Financial Statements cont'd

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28. SEGMENT ANALYSIS - GROUP cont'd

2004

	IRON & STEEL		INVESTMENT HOLDING AND PROPERTY MANAGEMENT	ELIMINATIONS	CONSOLIDATED
	TRADING RM'000	MANUFACTURING RM'000	MANAGEMENT RM'000	RM'000	RM'000
		AS RESTATED	AS RESTATED		AS RESTATED
REVENUE					
External sales	239,966	284,651	3,949	-	528,566
Inter-segment sales	3,952	28,789	81,972	(114,713)	-
Total sales	243,918	313,440	85,921	(114,713)	528,566
RESULTS					
Segment results	49,197	42,360	(5,294)		86,263
Finance costs					(4,442)
Interest income					3,476
Share of results of associated companies					11,450
Taxation					(28,138)
Profit after taxation					68,609
OTHER INFORMATION					
Segment assets	143,951	176,774	165,637		486,362
Investment in associated companies					212,821
Total segment assets					699,183
Total segment liabilities	70,809	89,791	16,927		177,527
Capital expenditure	574	3,814	544		4,932
Depreciation	613	5,135	1,325		7,073
Amortisation of goodwill	18	1	-		19
Amortisation of investment	-	3	-	-	3
Amortisation of intangible assets	-	8	-		8

No segment information by geographical area has been presented as the Group operates predominantly in Malaysia.

29. RELATED PARTY TRANSACTIONS

Related parties and relationship

The related parties of the Group and of the Company comprise the following:

- (a) related companies being subsidiary companies of Ann Joo Resources Berhad.
- (b) other related parties being companies in which Directors of the Company or Directors of the subsidiary companies have interest.

	GROUP	
	2005 RM'000	2004 RM'000
(a) Sale of goods		
Related parties:		
Hitec Metal Sdn Bhd	986	1,435
Ipmuda Berhad	-	520
Leong Chong Steel Sdn Bhd	1,083	1,009
Malayawata Steel Berhad	11,255	11,875
Silveron Builders Sdn Bhd	-	916
Chuan Huat Hardware (Sdn) Berhad	6,650	10,397
CHRB Utara Sdn Bhd	29	-
Teguh Cemerlang Logistics Sdn Bhd	25	-
Soon Hin Hardware Sdn Bhd	3,504	9,799
(b) Purchase of goods		
Related parties:		
Daian Technical Industries Sdn Bhd	2,404	3,626
Leong Chong Steel Sdn Bhd	15	43
Malayawata Steel Berhad	115,340	98,941
Marubeni-Itochu Steel Inc	16,876	24,320
United Power Matrix Sdn Bhd	-	56
Chuan Huat Hardware (Sdn) Berhad	-	281
Soon Hin Hardware Sdn Bhd	3,932	-
S.A. Network Trading Sdn Bhd	40	-
(c) Management fee received from		
Related party:		
Ann Joo Land Sdn Bhd	4	3
(d) Management fee paid to		
Related party:		
Sanritsu Kogyo Co. Ltd	184	174
(e) Rental income		
Related parties:		
Ann Joo Land Sdn Bhd	53	53
Malayawata Steel Berhad	2,216	2,312
Daian Technical Industries Sdn Bhd	59	71
(f) Purchase of property, plant and equipment and related maintenance services		
Related parties:		
Abec Technology Sdn Bhd	-	9

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29. RELATED PARTY TRANSACTIONS cont'd

	GROUP	
	2005 RM'000	2004 RM'000
(g) Sales of property, plant and equipment		
Related party:		
Hitec Metal Sdn Bhd	-	45
(h) Storage and handling charges paid to		
Related party:		
Teguh Cemerlang Logistics Sdn Bhd	292	-
(i) Sales of property, plant and equipment to		
Related party:		
Teguh Cemerlang Logistics Sdn Bhd	40	-

	COMPANY	
	2005 RM'000	2004 RM'000
(a) Management fee received from		
Subsidiary companies:		
Ann Joo Distripark Sdn Bhd	4,200	2,450
Ann Joo Metal Sdn Bhd	432	432
Ann Joo Trading Sdn Bhd	138	138
Ann Joo (Sarawak) Sdn Bhd	12	12
Anshin Steel Industries Sdn Bhd	336	336
Saga Makmur Industri Sdn Bhd	31	31
Anshin Steel Service Centre Sdn Bhd	372	378
Anshin Precision Industries Sdn Bhd	120	126
ACSAN Steel Service Centre Sdn Bhd	144	144

(b) Rental income		
Subsidiary companies:		
Ann Joo Metal Sdn Bhd	-	815
Ann Joo Trading Sdn Bhd	-	45
Anshin Casting Industries Sdn Bhd	-	163
Anshin Precision Industries Sdn Bhd	-	449
Anshin Steel Service Centre Sdn Bhd	-	607
Related parties:		
Malayawata Steel Berhad	-	44
Ann Joo Land Sdn Bhd	-	22

(c) Dividend income		
Subsidiary companies:		
Ann Joo (Sarawak) Sdn Bhd	783	1,389
Ann Joo Metal Sdn Bhd	25,520	30,573
Ann Joo Trading Sdn Bhd	-	3,473
Anshin Steel Industries Sdn Bhd	15,306	29,952
Anshin Precision Industries Sdn Bhd	356	-
Anshin Steel Service Centre Sdn Bhd	2,064	2,064
ACSAN Steel Service Centre Sdn Bhd	1,710	1,282
Related party:		
Malayawata Steel Berhad	5,170	5,170

29. RELATED PARTY TRANSACTIONS cont'd

	COMPANY	
	2005 RM'000	2004 RM'000
(d) Interest expenses		
Subsidiary companies:		
Anshin Precision Industries Sdn Bhd	-	40
Anshin Steel Industries Sdn Bhd	6	112

(e) Disposal of property, plant and equipment

Subsidiary company:		
Ann Joo Distripark Sdn Bhd	-	64,000

Included in trade receivables is an amount of RM1,115,000 owing by Silveron Builders Sdn Bhd which had been provided as doubtful debts in the previous financial year.

Hitec Metal Sdn Bhd represents the associated company of the ultimate holding company, Ann Joo Corporation Sdn Bhd.

Ipmuda Berhad is the holding company of Modular Equity Sdn Bhd, a minority shareholder of a subsidiary company, Saga Makmur Industri Sdn Bhd.

Leong Chong Steel Sdn Bhd is a company where the son-in-law of Mr. Lim Seng Qwee has substantial interest.

Malayawata Steel Berhad and Daian Technical Industries Sdn Bhd are associated companies of Ann Joo Resources Berhad.

Chuan Huat Hardware (Sdn) Berhad is a related company of Chuan Huat Hardware Holdings Sdn Bhd, a minority shareholder of a subsidiary company, ACSAN Steel Service Centre Sdn Bhd.

CHRB Utara Sdn Bhd is a subsidiary company of Chuan Huat Hardware (Sdn) Bhd.

Silveron Builders Sdn Bhd is a deemed investment of the ultimate holding company, and where a director of a subsidiary company is also the director of Silveron Builders Sdn Bhd.

Soon Hin Hardware Sdn Bhd is a subsidiary company of SHH Holdings Sdn Bhd, a minority shareholder of ACSAN Steel Service Centre Sdn Bhd.

Marubeni-Itochu Steel Inc is a minority shareholder of Anshin Steel Service Centre Sdn Bhd and Anshin Precision Industries Sdn Bhd.

United Power Matrix Sdn Bhd is a company where the son-in-law of Mr Lim Seng Qwee has substantial interest.

Ann Joo Land Sdn Bhd represents a subsidiary company of the ultimate holding company, Ann Joo Corporation Sdn Bhd.

Sanritsu Kogyo Co. Ltd is a minority shareholder of a subsidiary company, Anshin Precision Industries Sdn Bhd.

S.A. Network Trading Sdn Bhd is a wholly owned subsidiary company of Sanritsu Kogyo Co. Ltd.

Teguh Cemerlang Logistics Sdn Bhd and Abec Technology Sdn Bhd are companies in which Mr Lim Sin Seong, a Director of Ann Joo Resources Berhad is also a Director and has financial interests.

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are not more favourable to the related parties than those arranged with independent third parties.

The above disclosures are made pursuant to the requirement of Malaysian Accounting Standard Board's standard, FRS 124₂₀₀₄ Related Party Disclosures.

Notes To The Financial Statements cont'd

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30. CAPITAL COMMITMENT

As at the end of the financial year, the Group has the following capital commitment:

	GROUP	
	2005 RM'000	2004 RM'000
Approved and contracted	158	80
Approved and not contracted	204	-
	362	80

31. SIGNIFICANT EVENTS

- (a) Anshin Steel Industries Sdn Bhd and Ann Joo Distripark Sdn Bhd, both wholly-owned subsidiary companies of Ann Joo Resources Berhad ("AJR") had mutually agreed to rescind a Sale and Purchase Agreement for the disposal of a piece of long leasehold land and buildings together with machinery/equipment.
- (b) On 11 November 2005, Anshin Steel Industries Sdn Bhd had entered into a conditional Sale and Purchase Agreement with Toyota Auto Body (Malaysia) Sdn Bhd, a wholly owned subsidiary of Toyota Auto Body Co. Ltd, for the disposal of a piece of leasehold land and buildings for a total consideration of RM44,742,250.
- (c) On 3 October 2005, the Board of AJR, through AmMerchant Bank, had served a notice of conditional voluntary offer to the Board of Malayawata Steel Berhad ("MYS") informing that AJR intends to undertake a conditional voluntary offer for all the remaining 136,959,538 ordinary shares of RM1.00 in MYS, representing 67.94% of the issued and paid-up share capital of MYS, which are not held directly or indirectly by AJR and the parties acting in concert with it ("Offer Shares") for a cash consideration of RM1.50 per MYS Share ("Offer") via the following:
- (i) conditional voluntary offer by AJR for the Offer Shares ("Proposed Offer");
 - (ii) compulsory acquisition of the remaining Offer Shares not acquired under the Proposed Offer pursuant to Section 34 of the Securities Commission Act, 1993;
 - (iii) acquisition of the Offer Shares via open market transactions or private treaty.

In addition, on 3 October 2005, the Board of AJR had also announced that the Company will put on hold the application to the Securities Commission pursuant to Practice Note 2.9.10 of the Malaysian Code on Take-overs and Mergers, 1998, for the waiver from obligation to undertake any mandatory general offer ("Proposed Exemption") as a result of the proposed share buyback of Malayawata Steel Berhad until the conclusion of the Proposals, whereupon the Company will decide on the implementation of the Proposed Exemption.

On 15 December 2005, approval from the Ministry of International Trade and Industry was obtained. Subsequently, at the Extraordinary General Meeting of AJR held on 19 December 2005, the shareholders of AJR had approved the above proposals.

Pursuant to the announcement of Voluntary General Offer exercise to purchase the remaining shares in MYS, AJR has secured loan facilities of up to RM220 million for the purpose of funding of the exercise.

32. SUBSEQUENT EVENT

On 3 January 2006, the Board of AJR announced that the Offer has become a conditional mandatory offer as AJR's shareholding in MYS had exceeded 33%. Subsequently, on 13 January 2006, it was announced that the Offer had become unconditional as the holding of Offer Shares by AJR, including the acceptances received pursuant to the Offer have exceeded 50% of the voting shares of MYS and the Offer was extended up to 27 January 2006 ("Closing Date"). The total shareholdings of AJR in MYS as at the Closing Date was 133,888,801 MYS shares (after final verification of acceptances for the Offer). Together with the addition of 2,531,274 MYS shares that AJR acquired from the open market on 3 February 2006, AJR holds 136,420,075 MYS shares representing 67.674% of the total issued and paid-up share capital of MYS.

Further to the completion of the Offer, AJR is no longer obliged under the Malaysian Code on Take-overs and Mergers, 1998 (the "Code") to carry out a mandatory general offer in respect of any share buy-back to be conducted by MYS under MYS's proposed share buy-back scheme. Hence, AJR does not need to make an application to the Securities Commission pursuant to Practice Note 2.9.10 of the Code for a waiver from obligation to undertake any mandatory general offer as a result of the proposed share buy-back of MYS.

33. CORPORATE INFORMATION

- (a) The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Bursa Malaysia Securities.
- (b) The registered office and principal place of business of the Company are both located at Wisma Ann Joo, Lot 19391, Bt 8½, Jalan Klang Lama, 46000 Petaling Jaya, Selangor Darul Ehsan.
- (c) The principal activities of the Company are investment holding and property management.
- (d)

	GROUP		COMPANY	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Total number of employees as at the end of the financial year	588	557	59	53

- (e) The directors regard Ann Joo Corporation Sdn Bhd, a company incorporated in Malaysia, as its ultimate holding company.
- (f) The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 6 March 2006.

34. FINANCIAL INSTRUMENTS

Financial risk management objective and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks. The Group operates within clearly defined guidelines that are approved by the Board of Directors for observation in the day-to-day operation for the controlling and management of the risk associated with the financing, investing and operating activities of the Group.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:

(a) Foreign currency risk

The Group is exposed to foreign currency risk as a result of its normal trading activities, where the currency denomination differs from the local currency, Ringgit Malaysia (RM). Exposures to foreign currency risks are monitored on an ongoing basis.

Notes To The Financial Statements cont'd

31 December 2005

34. FINANCIAL INSTRUMENTS cont'd

(b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings and deposits. The Group's policy is to borrow principally on the floating rate basis. Investments in financial assets are short term in nature and are mostly placed as short term deposits with licensed financial institutions.

(c) Credit risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Receivables are monitored on an ongoing basis via the Group's management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

(d) Market risk

The Group has in place policies to manage its exposure to fluctuation in the prices of the key raw materials used in the operation through close monitoring and buying ahead in anticipation of significant price increase, where possible. For market risk arising from changes in equity prices, the Group manages disposal of its investment to optimise returns on realisation.

(e) Liquidity and cash flow risks

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group endeavours to maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements.

In addition, the Group's objective is to maintain a balance of funding and flexibility through the use of credit facilities, short and long term borrowings. Short-term flexibility is achieved through credit facilities and short-term borrowings.

Fair values

The carrying amounts of financial assets and liabilities of the Group and of the Company as at 31 December 2005 approximated their fair values except as set out below:

	GROUP	
	CARRYING AMOUNT RM'000	FAIR VALUE RM'000
Financial assets		
Investments – quoted shares	46	22

Investments in quoted shares have not been adjusted to their fair values on the basis that the underlying net tangible assets per share of these companies are above their market values.

No disclosure is made for unquoted shares because of the lack of market information and the assumptions used in valuation models to value these investments cannot be reasonably determined.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

(a) Deposits, cash and bank balances

The carrying amounts of deposits, cash and bank balances approximate fair values due to the relatively short term maturity of these instruments.

34. FINANCIAL INSTRUMENTS cont'd

(b) Trade and other receivables and payables

The carrying amounts of trade receivables and payables subject to normal trade credit terms approximate fair values. The carrying amounts of other receivables and payables are reasonable estimates of fair value because of their short maturity.

(c) Borrowings

The carrying amounts of short term borrowings approximates fair value because of the short maturity period. The fair value of long term borrowings is estimated based on the current rates available for borrowings with the same maturity profile.

(d) Amounts due from/to subsidiary/associated companies and related parties

The carrying amounts of amounts due from/to subsidiary/associated companies and related parties are reasonable estimates of fair value because of their short maturity.

35. COMPARATIVE FIGURES

The followings comparative figures have been restated as explained in Note 25.

	GROUP	
	As RESTATED RM'000	As PREVIOUSLY REPORTED RM'000
Balance sheet		
Property, plant and equipment	181,551	181,767
Taxation	8,133	7,995
Other reserves	70,457	76,385
Accumulated profits	145,045	145,357
Deferred taxation	8,515	2,625
Income statement		
Administration expenses	(16,281)	(16,069)
Profit from operations	89,739	89,951
Profit before share of results of associated companies	85,297	85,509
Profit before taxation	96,747	96,959
Taxation	(28,138)	(28,038)
Profit after taxation	68,609	68,921
Net profit for the financial year	62,887	63,199
Statement of changes in equity		
Other reserves	70,457	76,385
Accumulated profits	145,045	145,357
Cash flow statement		
Depreciation	7,073	6,861

Recurrent Related Party Transactions

for the financial year ended 31 December 2005

Set out below are the breakdown of the aggregate value of the recurrent related party transactions of a revenue or trading nature carried out by the Ann Joo Group in its normal course of business on an arm's length basis:

RELATED PARTIES	TRANSACTIONING PARTY	NATURE OF TRANSACTION	ACTUAL (RM)
LIM Group	Ann Joo Group	Sale of steel related products; Provision of various services or treatment for steel related products; Charging of incidental cost to LIM Group	2,093,860
		Purchase of steel related products from LIM Group	15,380
		Lease of office space to LIM Group	53,400
		Provision of services and facilities to LIM Group	4,200
		Purchase of computer equipment and related maintenance services from LIM Group	230
		Rental and management fee payable to LIM Group for storage of steel related materials	291,823
		Sale of property, plant and equipment to LIM Group	40,000
MISI Group	Ann Joo Group	Sale of steel related products and provision of cutting and bending services to MISI Group	10,399,581
		Purchase of steel related products from MISI Group	29,173,380
		Lease of office space and factory area to MISI Group	2,533,882
		Provision of services to MISI Group	504,000
		Rental paid to MISI Group for storage of steel coils	13,877
		Rental paid to Ann Joo Group for storage of steel related materials	14,643
		Purchase of property, plant and equipment	2,000
Sanritsu Group	Ann Joo Group	Purchase of die tooling and payment for repair services of die tooling to Sanritsu Group	2,443,530
		Sub-Lease to Sanritsu Group of factory area	58,506
		Payment of technical and advisory support fee to Sanritsu Group	184,000
CHH Group	Ann Joo Group	Sale of steel related products and provision of cutting and bending services to CHH Group and charging or reimbursement of incidental cost and expenses in relation thereto	6,678,500
		Purchase of steel related products from CHH Group	-
SHH Group	Ann Joo Group	Sale of steel related products and provision of cutting and bending services to SHH Group and charging or reimbursement of incidental cost and expenses in relation thereto	3,504,064
		Purchase of steel related products from SHH Group	3,932,449

RELATED PARTIES	TRANSACTION PARTY	NATURE OF TRANSACTION	ACTUAL (RM)
Tokyo Boeki Ltd	Ann Joo Group	Purchase of steel related products from Tokyo Boeki Ltd	-
MESB Group	Ann Joo Group	Sale of steel related products and provision of cutting and bending services to MESB Group and charging or reimbursement of incidental cost and expenses in relation thereto	-
		Purchase of steel related products from MESB Group	-
MYS Group	Ann Joo Group	Sale of steel related products, material or substance used for steel making and for building and construction, vehicles, machineries and equipment to MYS Group	11,254,878
		Purchase of steel related products from MYS Group	115,328,256
		Provision of services to MYS Group	-
		Purchase of material and substance used for steel/iron making and other related products from MYS Group	11,960
Ann Joo Group	Ann Joo Resources Berhad and its subsidiary companies		
CHH Group	Chuan Huat Hardware Holdings Sdn Bhd and its related corporations and their associated companies and persons connected		
LIM Group	Includes Ann Joo Corporation Sdn Bhd and its subsidiaries and associated companies, Lim Seng Chee & Sons Sdn Bhd, LSQ & Sons Sdn Bhd, Lim Sin Seong Sdn Bhd and Lim Seng Chee (Major Shareholders) Lim Seng Qwee, Dato' Lim Kiam Lam and Lim Sin Seong (Directors and Major Shareholders), Dato' Lim Hong Thye and Lim Kien Lip (Directors) and persons connected		
MESB Group	Modular Equity Sdn Bhd and its related corporations and their associated companies and persons connected		
MISI Group	Marubeni -Itochu Steel Inc. and its subsidiaries and associated companies and persons connected		
MYS Group	Malayawata Steel Berhad and its subsidiaries and associated companies and persons connected		
Sanritsu Group	Sanritsu Kogyo Co., Ltd. and its subsidiaries and associated companies and persons connected		
SHH Group	SHH Holdings Sdn Bhd and its related corporations and their associated companies and persons connected		

Properties Owned

by Ann Joo Resources Berhad and its subsidiaries as at 31 December 2005

LOCATION	TENURE	DESCRIPTION	LAND AREA/ BUILT-UP AREA	EXISTING USE	APPROXIMATE AGE OF BUILDING (No. OF YEARS)	AT VALUATION/ COST RM'000	NBV RM'000	DATE OF LAST REVALUATION	DATE OF ACQUISITION
Lot 19391 Mukim and District of Petaling	Freehold	Commercial Land & Building	1.2965 hectares/ 9,996 sq.m.	Office and Warehouse	23	21,603	21,382	31-12-2003	09/09/1996
Lot 1508 Mukim and District of Petaling	Freehold	Industrial Land & Building	0.658 hectares/ 3,790 sq.m.	Office and Warehouse	3	8,302	8,208	31-12-2003	09-09-1996
HS (D) 50441 Tapak Perusahaan Shah Alam District of Petaling	Leasehold (expiring on 25.03.2070)	Industrial Land & Building	4.150 hectares/ 30,949 sq.m.	Factory, Office and Store	14	34,172	33,227	31-12-2003	09-09-1996
Lots 55-59 Section 4 Phase 2A Pulau Indah Industrial Park West Port	Leasehold (99 years upon issue of qualified title)	Industrial Land	5.135 hectares/ -	Vacant Land	-	9,802	9,666	31-12-2003	05-05-1998
H.S.D. 711 Tapak Perusahaan Shah Alam District of Petaling	Leasehold (expiring on 29.06.2076)	Industrial Land & Building	1.658 hectares/ 12,709 sq.m.	Factory and Office	15	15,781	15,359	31-12-2003	08-01-1987
Lot 9 Persiaran Perusahaan Section 23 Shah Alam	Leasehold (expiring on 30.05.2098)	Industrial Land & Building	5.3255 hectares/ 26,521 sq.m.	Factory and Office	12	40,651	39,712	31-12-2003	06-09-1990
Lot 11 Persiaran Perusahaan Section 23 Shah Alam	Leasehold (expiring on 30.05.2098)	Industrial Land & Building	5.9908 hectares/ 9,234 sq.m.	Factory, Office and Vacant Land	9	32,220	31,371	31-12-2003	06-09-1990
Lot PT 3707 Mukim of Pasir Panjang Port Dickson	Freehold	Detached House	528 sq.m./ 195 sq.m.	Staff Recreation	20	150	146	31-12-2003	10-10-1985
Lot 2171 Section 66 Kuching	Leasehold (expiring on 04.02.2050)	Industrial Land & Building	4,059 sq.m./ 1,522 sq.m.	Office and Warehouse	11	1,700	1,644	31-12-2003	25-10-1995
Sub-Total (value of properties held as property, plant and equipment)						164,381	160,715		

LOCATION	TENURE	DESCRIPTION	LAND AREA/ BUILT-UP AREA	EXISTING USE	APPROXIMATE AGE OF BUILDING (NO. OF YEARS)	AT VALUATION/ COST RM'000	NBV RM'000	DATE OF LAST REVALUATION	DATE OF ACQUISITION
No. C-7-10 Type 12 Storey No. 7th Floor Building No. Block C Phase 1 Zone G Sri Alam Condominium Kelab Golf Sultan Abdul Aziz Shah	Leasehold (expiring on 14.02.2091)	Condominium	245 sq.m.	Vacant	7	500	500	31-12-2003	13-09-2000
No. F-12-04 Washington Tower Meadow Park 3 Jalan 1/130 Off Jalan Kelang Lama 58200 Kuala Lumpur	Freehold	Apartment	1,120 sq.ft.	Vacant	7	150	150	31-12-2003	17-07-1998
No. 7-20 Tingkat 7 Building No. T1 Turf View Apartment Taman Kuda Emas Section 6 Serdang Jaya Selangor	Leasehold (expiring on 28.11.2092)	Apartment	946 sq.ft.	Vacant	8	125	125	31-12-2003	16-08-1999
704 Block A Tiara Kelana Condo Jalan SS 7/19 Taman Sri Kelana Kelana Jaya 47301 Petaling Jaya	Leasehold (expiring on 28.01.2092)	Apartment	1,725 sq.ft.	Vacant	10	290	290	31-12-2003	22-03-2001
Sub-total (value of properties held as inventories)						1,065	1,065		
Total (value of properties held as property, plant and equipment and inventories)						165,446	161,780		

Statistical Report

as at 26 April 2006

ANALYSIS OF SHAREHOLDINGS

Authorised share capital	:	RM500,000,000
Issued and paid up share capital	:	RM273,386,394
Class of shares	:	Ordinary shares of RM1.00 each
Voting shares	:	One (1) vote per ordinary share

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	58	0.86	540	0.00
100 - 1,000	2,760	40.77	2,729,600	1.00
1,001 - 10,000	3,179	46.96	12,647,295	4.63
10,001 - 100,000	650	9.60	19,410,245	7.11
100,001 - 13,657,368*	121	1.79	73,848,644	27.04
13,657,369 and above**	2	0.03	164,511,070	60.23
Total	6,770	100.00	273,147,394	100.00

Remarks: * - Less than 5% of issued holdings
 ** - 5% and above of issued holdings

LIST OF TOP 30 SHAREHOLDERS

NAME	NO. OF SHARES HELD	%
1. Ann Joo Corporation Sdn Bhd	89,238,972	32.67
2. Ann Joo Corporation Sdn Bhd	75,272,098	27.56
3. Malaysia Nominees (Tempatan) Sendirian Berhad <i>Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)</i>	5,434,300	1.99
4. HLB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Chen Khai Voon</i>	5,043,800	1.85
5. Mecroflex Sdn Bhd	3,776,876	1.38
6. Lim Seng Qwee	3,215,652	1.18
7. Dato' Soo Lai Sing	3,000,000	1.10
8. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lim Beng Guan (100402)</i>	2,744,300	1.00
9. Lou Swee You	2,321,600	0.85
10. Lim Seng Chee	2,244,500	0.82
11. Lim Chai Beng	2,100,000	0.77
12. United Hardware Holdings Sendirian Berhad	1,827,505	0.67
13. Yoong Yan Pin	1,700,000	0.62
14. PRB Nominees (Tempatan) Sdn Bhd <i>Rubber Industry Smallholders Development Authority</i>	1,629,500	0.60
15. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For DFA Emerging Markets Fund</i>	1,235,100	0.45
16. Mayban Nominees (Tempatan) Sdn Bhd <i>Mayban Trustees Berhad For Income Plus Fund (N14011980070)</i>	1,207,000	0.44
17. Universal Trustee (Malaysia) Berhad <i>Malaysian Assurance Alliance Bhd</i>	1,200,000	0.44
18. Mayban Nominees (Tempatan) Sdn Bhd <i>Mayban Life Assurance Berhad (PAR Fund)</i>	1,000,000	0.37

NAME	NO. OF SHARES HELD	%
19. HLB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lim Chai Beng (SIN 9853-2)</i>	1,000,000	0.37
20. Yeoh Chun Heng	942,700	0.35
21. Yong Chai Lee	913,500	0.33
22. Keng Poh Im	913,000	0.33
23. Tan Guat Poh	890,000	0.33
24. KAF Nominees (Tempatan) Sdn Bhd <i>KAF Fund Management Sdn Bhd For Abu Talib Bin Othman</i>	830,000	0.30
25. Citigroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Su Ming Keat (473656)</i>	800,000	0.29
26. Bugh Kean Kee	782,200	0.29
27. Lim Kien Lip	750,000	0.27
28. Abdul Kudus Bin Dahalan	729,600	0.27
29. Mayban Nominees (Tempatan) Sdn Bhd <i>Hadrons Capital Sdn Bhd For Koay Kang Chuwan (240239)</i>	684,111	0.25
30. Soo Cham Bock	681,466	0.25
	214,107,780	78.39

ANALYSIS OF WARRANTS HOLDINGS

No. of Warrants in issue	:	75,855,106
Exercise Price of Warrants	:	RM 1.00
Expiry Date of Warrants	:	26 July 2006
Voting Rights	:	Every Warrant holder present in person at any such meeting or adjourned meeting shall be entitled by a show of hands to one (1) vote and every Warrant Holder present in person or by proxy at any meeting shall be entitled on a poll to one (1) vote for each New Share to which such holder would be entitled at the Subscription Price on the exercise in full of the Subscription Rights represented by such Warrant Holders.

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	1	0.17	81	0.00
100 - 1,000	222	38.61	193,200	0.25
1,001 - 10,000	228	39.65	981,900	1.29
10,001 - 100,000	97	16.87	3,381,200	4.46
100,001 - 3,792,754*	26	4.52	11,659,753	15.37
3,792,755 and above**	1	0.17	59,638,972	78.62
Total	575	100.00	75,855,106	100.00

Remarks: * - Less than 5% of issued holdings
** - 5% and above of issued holdings

Statistical Report cont'd

as at 26 April 2006

LIST OF TOP 30 WARRANTS HOLDERS

NAME	NO. OF WARRANTS HELD	%
1. Ann Joo Corporation Sdn Bhd	59,638,972	78.62
2. Yang Pouy Soon	1,658,500	2.19
3. Yeoh Chun Heng	1,574,500	2.08
4. Tan Guat Poh	1,195,500	1.58
5. Tan Poh Gek	1,150,000	1.52
6. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pheim Asset Management Sdn Bhd For Employees Provident Fund</i>	712,300	0.94
7. United Hardware Holdings Sendirian Berhad	609,168	0.80
8. Lim Seng Chee	581,500	0.77
9. HDM Nominees (Tempatan) Sdn Bhd <i>DBS Vickers Secs (S) Pte Ltd For Wee Cheow Beng</i>	517,600	0.68
10. Mr Ong Hock Siong @ Benny Ong Hock Siong	442,800	0.58
11. Bugh Kean Kee	376,300	0.50
12. Lim Jit Hai	348,100	0.46
13. Ling Teck Hong	262,100	0.35
14. Lim Kiam Lam	239,000	0.32
15. Ong Joo Beng	232,000	0.31
16. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Siow Khien Meng (100401)</i>	200,000	0.26
17. Su Ming Keat	179,000	0.24
18. Lim Seng Qwee	171,185	0.23
19. Liao You Hin	160,000	0.21
20. Mayban Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Koay Poon Hock (338AB3071)</i>	150,000	0.20
21. Tan Han Hon	144,900	0.19
22. Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Chia Heng Thye (E-JBU)</i>	139,000	0.18
23. Keng Poh Im	136,100	0.18
24. RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lee Kuan Gan</i>	130,000	0.17
25. M & A Nominee (Tempatan) Sdn Bhd <i>Titan Express Sdn Bhd</i>	124,300	0.16
26. Leong Thim Choy	115,900	0.15
27. Mayban Securities Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lee Teck Kong (Dealer 051 - Margin)</i>	110,000	0.15
28. Mayban Securities Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tung Kam Loong (REM 825 - Margin)</i>	100,000	0.13
29. Teoh Boon Hock	100,000	0.13
30. Mayban Securities Nominees (Asing) Sdn Bhd <i>OCBC Securities Private Limited For Ong Hwee Yeow</i>	100,000	0.13
	71,598,725	94.39

DIRECTORS' SHAREHOLDINGS as at 26 April 2006
(Extracted from Register of Directors' Shareholdings)

NAME	DIRECT	No. of Ordinary Shares Held		%
		%	INDIRECT	
Lim Seng Qwee	3,215,652	1.18	166,338,575 *	60.90 *
Dato' Lim Kiam Lam	591,000	0.22	166,338,575 *	60.90 *
Lim Sin Seong	Nil	Nil	166,338,575 *	60.90 *
Lim Kien Lip	750,000	0.27	Nil	Nil
Dato' Lim Hong Thye	Nil	Nil	Nil	Nil
Dato' Ong Kim Hoay	15,000	0.01	Nil	Nil
Mohd Alkaf bin Mohd Kahar	220,000	0.08	Nil	Nil
Tan Sri Datuk A. Razak bin Ramli	Nil	Nil	Nil	Nil

NAME	DIRECT	No. of Warrants 2001/2006 Held		%
		%	INDIRECT	
Lim Seng Qwee	Nil	Nil	60,248,140 *	79.42 *
Dato' Lim Kiam Lam	239,000	0.32	60,248,140 *	79.42 *
Lim Sin Seong	Nil	Nil	60,248,140 *	79.42 *
Lim Kien Lip	Nil	Nil	Nil	Nil
Dato' Lim Hong Thye	Nil	Nil	Nil	Nil
Dato' Ong Kim Hoay	5,000	0.01	Nil	Nil
Mohd Alkaf bin Mohd Kahar	Nil	Nil	Nil	Nil
Tan Sri Datuk A. Razak bin Ramli	Nil	Nil	Nil	Nil

* deemed interest pursuant to Section 6A(4) of the Companies Act, 1965.

SUBSTANTIAL SHAREHOLDERS as at 26 April 2006
(Extracted from Register of Substantial Shareholders)

NAME	DIRECT	No. of Ordinary Shares Held		%
		%	INDIRECT	
Ann Joo Corporation Sdn Bhd	164,511,070	60.23	1,827,505 *	0.67 *
Lim Seng Chee & Sons Sdn Bhd	Nil	Nil	166,338,575 *	60.90 *
LSQ & Sons Sdn Bhd	Nil	Nil	166,338,575 *	60.90 *
Lim Sin Seong Sdn Bhd	Nil	Nil	166,338,575 *	60.90 *
Lim Seng Chee	2,244,500	0.82	166,338,575 *	60.90 *
Lim Seng Qwee	3,215,652	1.18	166,338,575 *	60.90 *
Dato' Lim Kiam Lam	591,000	0.22	166,338,575 *	60.90 *
Lim Sin Seong	Nil	Nil	166,338,575 *	60.90 *

* deemed interest pursuant to Section 6A(4) of the Companies Act, 1965.

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Form of Proxy

No. of Ordinary Shares held



I/We _____ (Full name in block letters)

NRIC No. _____

of _____ (Address)

Tel. No. _____

being a member/members of ANN JOO RESOURCES BERHAD, hereby appoint _____ (Full name in block letters)

of _____ (Address)

or failing him/her _____ (Full name in block letters)

of _____ (Address)

or failing him/her, the CHAIRMAN OF THE MEETING as my /our proxy to vote for me/us and on my/our behalf at the Tenth Annual General Meeting of the Company to be held at Bahamas 1 & 2, Level 12, Sunway Lagoon Resort Hotel, Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan on Thursday, 15 June 2006 at 10.00 a.m. or at any adjournment thereof, and to vote as indicated below:-

RESOLUTIONS	FOR	AGAINST
1. To receive the audited financial statements		
2. To approve the payment of Directors' fees		
To re-elect the following Directors retiring under Article 101 of the Company's Articles of Association:-		
3. Lim Seng Qwee		
4. Mohd Alkaf bin Mohd Kahar		
5. To re-appoint Dato' Ong Kim Hoay who retires pursuant to Section 129(6) of the Companies Act, 1965.		
6. To appoint Messrs Ong Boon Bah & Co. as the Auditors of the Company		
7. To authorise Directors to allot shares pursuant to Section 132D of the Companies Act, 1965		
8. To renew the authorisation to enable the Company to purchase its own shares		
To renew existing and obtain new Shareholders' mandate for recurrent related party transactions of a revenue or trading nature with the following related parties:-		
9. LIM Group		
10. MISI Group		
11. Sanritsu Group		
12. CHH Group		
13. SHH Group		
14. MYS Group		
15. LIM Group		
16. Sanritsu Group		
17. To appoint Mr Ng Seet Kow as Director of the Company		

Please indicate with a "✓" in the appropriate space how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy will vote as he or she thinks fit, or, at his or her discretion, abstain from voting.

Signed this _____ day of _____ 2006

Signature / Common Seal

NOTES:-

- A Member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A Member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- 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 provisions of Section 149(1)(b) of the Companies Act, 1965, shall not apply to the Company.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the Registered Office of the Company at Wisma Ann Joo, Lot 19391, Bt 8½ Jalan Klang Lama, 46000 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

Stamp

ANN JOO RESOURCES BERHAD

Wisma Ann Joo, Lot 19391
Batu 8½, Jalan Klang Lama
46000 Petaling Jaya
Selangor Darul Ehsan

ANN JOO RESOURCES BERHAD
(371152-U)

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