

Annual Report

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cocoaland®

Cocoaland Holdings Berhad 75, Kompleks Rami, 20100 Kuala Lumpur

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting of the Company will be held at Function Room 1, Level 4, Dynasty Hotel, 218 Jalan Ipoh, 51200 Kuala Lumpur on Thursday, 27 April 2006 at 10:00 a.m. for the following purposes: -

AGENDA

AS ORDINARY BUSINESS:

- | | |
|--|--|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2005 together with the Reports of the Directors and Auditors thereon. | Resolution 1 |
| 2. To re-elect the following Directors who shall retire in accordance with Article 92 of the Company's Articles of Association and being eligible, offer themselves for re-election :

(a) Dato' Azman bin Mahmood
(b) Liew Fook Meng | Resolution 2
Resolution 3 |
| 3. To approve the payment of Directors' fees amounting to RM156,000 in respect of the financial year ended 31 December 2005. | Resolution 4 |
| 4. To re-appoint Messrs. Wong Weng Foo & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 5 |

AS SPECIAL BUSINESS:

To consider and if though fit, to pass the following resolution as ordinary resolution: -

- | | |
|--|---------------------|
| 5. Authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965.

"THAT, subject to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, where such approval is necessary, 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 the Directors may deem fit and expedient in the interest of the Company, provided that the aggregate of number of shares issued pursuant to this resolution does not exceed 10% of the issued and paid-up capital of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." | Resolution 6 |
| 6. To transact any other ordinary business for which due notice shall have been given. | |

By Order of the Board

NG HENG HOOI (MAICSA 7048492)
YAP FOO TENG (MACS 00601)
TUA YAN KHIM (MAICSA 7046902)
Company Secretaries

Kuala Lumpur
Dated: 5 April 2006

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTES:-

- i. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a Member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- ii. A member may appoint not more than two (2) proxies to attend the same meeting. Where a member appoints two proxies, the proxies shall not be valid unless the member specifies the proportion of his shareholding to be represented by each proxy. Where a member of the company is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, it may appoint at least one proxy in respect of each securities account.
- iii. 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 its common seal or the hand of its officer or its duly authorised attorney.
- iv. The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Suite 405, 4th Floor, Magnum Plaza, 128 Jalan Pudu, 55100 Kuala Lumpur, not less than forty eight (48) hours before the time for holding the meeting or at any adjournment thereof.
- v. Explanatory Notes on Special Business

Authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965

The Proposed Resolution 6, if passed, will give the Directors of the Company, from the date of the above Annual General Meeting, authority to issue and allot shares from the unissued capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

The information required pursuant to Paragraph 8.28(2) of the Bursa Malaysia Securities Berhad's Listing Requirements are appended hereunder: -

1. Directors standing for re-election

Directors who are standing for re-election at the 6th Annual General Meeting of the Company are:

Name of Directors
i) Dato' Azman bin Mahmood - Retiring pursuant to Article 92 of the Company's Articles of Association.
ii) Liew Fook Meng - Retiring pursuant to Article 92 of the Company's Articles of Association.

Further details on Directors who are standing for re-election are set out in the Directors' Profile section of this Annual Report.

2. Details of attendance of directors at board meetings

Details of the attendance of Directors at Board meetings held during the financial year ended 31 December 2005 are set out on page 11 of this Annual Report.

3. Place, date and time of the Sixth Annual General Meeting

Place : Function Room 1, Level 4, Dynasty Hotel, 218 Jalan Ipoh, 51200 Kuala Lumpur
Date : 27 April 2006
Time : 10:00 a.m.

CORPORATE INFORMATION

Board Of Directors

Dato' Azman bin Mahmood
Liew Fook Meng
Lau Kee Von
Lau Pak Lam
Liew Yoon Kee
Chow Kee Kan @ Chow Tuck Kwan

- Chairman/ Independent Non-Executive Director
- Executive Director
- Executive Director
- Executive Director
- Executive Director
- Independent Non-Executive Director

Company Secretaries

Ng Heng Hooi (MAICSA 7048492)
Yap Foo Teng (MACS 00601)
Tua Yan Khim (MAICSA 7046902)

Registered Office

Suite 405, 4th Floor, Magnum Plaza
128 Jalan Pudu, 55100 Kuala Lumpur
Tel: 03-2072 8100 Fax: 03-2072 8101

Principal Bankers

United Overseas Bank (Malaysia) Berhad (271809-K)
Menara UOB
Jalan Raja Laut
P.O. Box 11212
50738 Kuala Lumpur
Tel: 03-2692 7722

Auditors

Wong Weng Foo & Co. (AF: 0829)
Chartered Accountants
41, Damai Complex
Jalan Dato' Haji Eusoff
50400 Kuala Lumpur
Tel: 03-4042 4280 Fax: 03-4041 3141

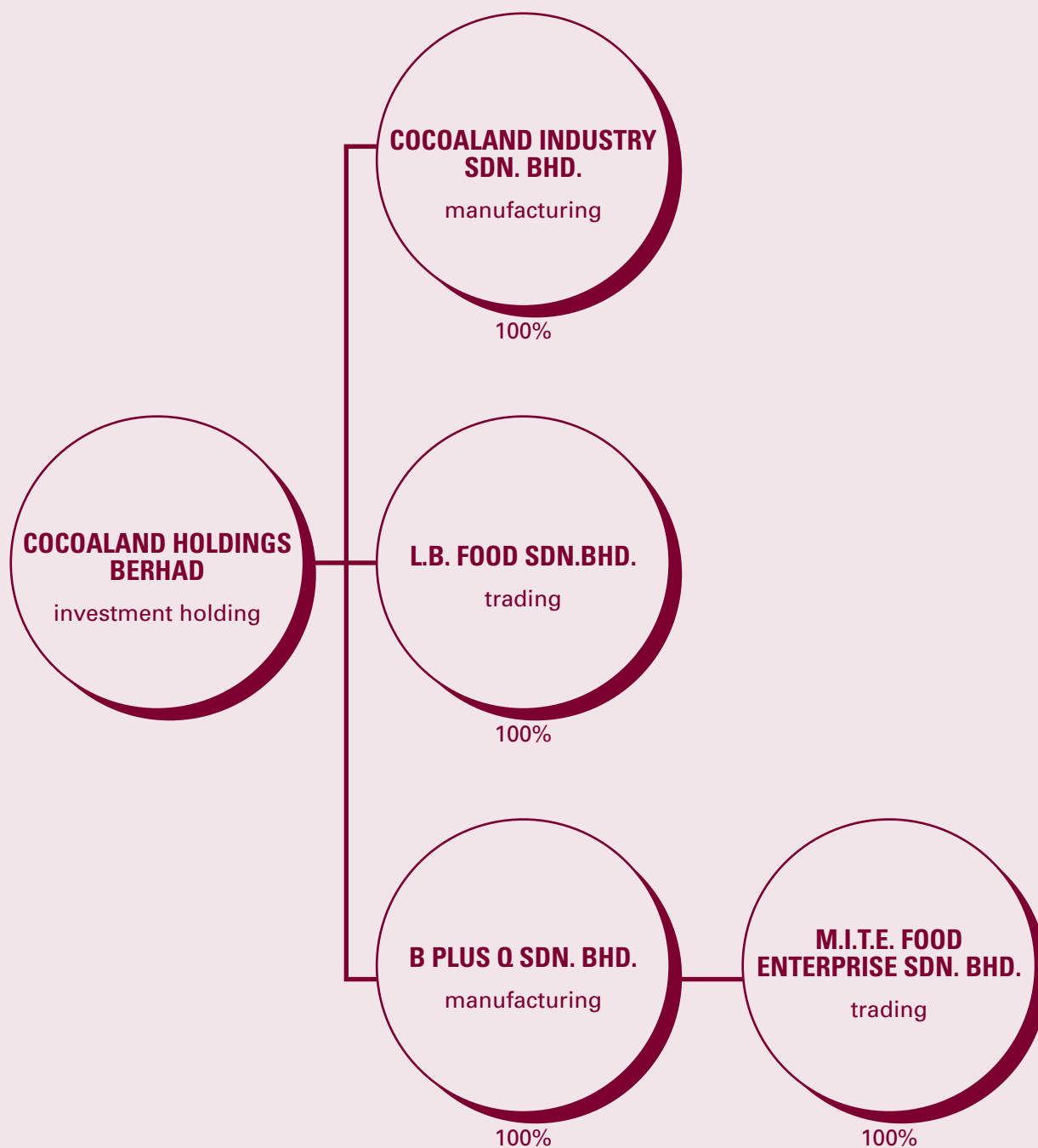
Share Registrar

Bina Management (M) Sdn. Bhd. (50164-V)
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7784 3922 Fax: 03-7784 1988

Stock Exchange Listing

Second Board of the Bursa Malaysia Securities Berhad

CORPORATE STRUCTURE



DIRECTORS' PROFILE

Dato' Azman bin Mahmood

55 years of age, Malaysian
Chairman and Independent Non-Executive Director

He was appointed to the Board on 8 October 2004. He is a member of the Institute of Chartered Accountants in England & Wales.

He began his career with Lim, Ali & Co., an auditing firm based in Johor from 1975 to 1978. He later worked with RD Neville & Co., a firm of Chartered Accountants in Essex, England up to 1980. From 1981 to 1983, he worked for MMC Services Limited, London, a subsidiary of Malaysian Mining Corporation Berhad. In 1983, he was the Senior Manager of MUI Bank Berhad (now known as Hong Leong Bank Berhad). From 1983 to 1990, he was in charge of the Finance Division of Kumpulan Perangsang Selangor Berhad. From 1990 to 1996, he was the Managing Director of Worldwide Holdings Berhad, after which he was appointed as the Chairman of Fine Access Sdn. Bhd., an investment holding company with interest in property development

business in Kuala Lumpur and Klang Valley.

Currently, he is an Independent Non-Executive Director for Jaks Resources Berhad and Kumpulan Hartanah Selangor Berhad. He also sits on the board of Tabung Amanah Saham Selangor Berhad.

He is the Chairman of the Audit Committee and Remuneration Committee. He is also a member of the Nomination Committee.

He has direct shareholdings of 295,000 ordinary shares of RM0.50 each in the Company. He does not have any family relationship with any directors and/or major shareholders of the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

Liew Fook Meng

58 years of age, Malaysian
Executive Director

He was appointed to the Board on 8 October 2004.

He has more than 20 years of experience in the manufacturing and marketing of confectionery products. He oversees product development through his active involvement in introducing new ideas and flavouring processes.

Currently, he also holds other directorship in the Cocoaland Group of Companies and several other private limited companies.

He is also the member of the Audit Committee and Remuneration Committee.

His siblings, Mr. Lau Kee Von, Mr. Lau Pak Lam and Mr. Liew Yoon Kee are also members of the Board. He also has a direct shareholding in the Company's substantial shareholder, Leverage Success Sdn. Bhd.

He has direct shareholdings of 4,739,200 ordinary shares of RM0.50 each in the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

Lau Kee Von

53 years of age, Malaysian
Executive Director

He was appointed to the Board on 8 October 2004.

He has more than 20 years of experience in the manufacturing and wholesale of confectionery products. He started out as a partner of Lau Brothers Food Trading Co. in 1976, which was primarily involved in the distribution of confectionery products. In 1984, he and the other partners incorporated L.B. Food Sdn. Bhd., currently one of the subsidiaries within the Group to take over the operations of the partnership. At the same time, he was appointed as the Managing Director of L.B. Food Sdn. Bhd. Under his stewardship over the past 21 years, the Group has grown from a family business concern into one of the largest confectionery manufacturers and distributors in Malaysia.

Currently, he also holds other directorship in the Cocoaland Group of Companies and several other private limited companies.

His siblings, Mr. Liew Fook Meng, Mr. Lau Pak Lam and Mr. Liew Yoon Kee are also members of the Board. He also has a direct shareholding in the Company's substantial shareholder, Leverage Success Sdn. Bhd.

He has direct shareholdings of 121,800 ordinary shares of RM0.50 each in the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

DIRECTORS' PROFILE (Cont'd)

Lau Pak Lam

48 years of age, Malaysian
Executive Director

He was appointed to the Board on 8 October 2004.

He has more than 20 years of experience in the manufacturing and wholesale of confectionery products. Having been involved in the convenience food manufacturing industry for over 20 years, he has established long-standing relationships with various local retailers and wholesalers in the same industry.

Currently, he also holds other directorship in the Cocoland Group of Companies and several other private limited companies.

His siblings, Mr. Liew Fook Meng, Mr. Lau Kee Von and Mr. Liew Yoon Kee are also members of the Board. He also has a direct shareholding in the Company's substantial shareholder, Leverage Success Sdn. Bhd.

He has direct shareholdings of 349,500 ordinary shares of RM0.50 each in the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

Liew Yoon Kee

57 years of age, Malaysian
Executive Director

He was appointed to the Board on 8 October 2004.

He has been the Sales Executive for L.B. Food Sdn. Bhd., currently one of the subsidiaries within the Group for 5 years from 1979 to 1984. Since then, he joined B Plus Q Sdn. Bhd., currently one of the subsidiaries within the Group as Factory Manager until today.

Currently, he also holds other directorship in the Cocoland Group of Companies and several other private limited companies.

His siblings, Mr. Liew Fook Meng, Mr. Lau Kee Von and Mr. Liew Yoon Kee are also members of the Board. He also has a direct shareholding in the Company's substantial shareholder, Leverage Success Sdn. Bhd.

He has direct shareholdings of 55,000 ordinary shares of RM0.50 each in the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

Chow Kee Kan @ Chow Tuck Kwan

53 years of age, Malaysian
Independent Non-Executive Director

He was appointed to the Board on 8 October 2004. He is an Approved Company Auditor and Chartered Accountant.

He has his own audit and tax practices and has more than 30 years of practical experience in the same field.

He was a council member of the Malaysian Institute of Accountants from 1987 to 1994. Currently, he serves as a Trustee for the Malaysian Accountancy Research and Education Foundation and is the Chairman of the Research Board. He was also the Vice President and Honorary Secretary of the Malaysian Institute of Taxation from 1991 to 2005.

Currently, he is an Independent Non-Executive Director of Merge Housing Berhad since 2001 and holds

directorships in several other private limited companies.

He is the Chairman of the Nomination Committee and he is also a member of the Audit Committee and Remuneration Committee.

He does not have any interest in the shares of the Company. He does not have any family relationship with any directors and/or major shareholders of the Company. He has not entered into any transaction which has a conflict of interest with the Company and has not been convicted of any offences in the past ten years.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of the Company and the Group for the financial year ended 31 December 2005.

FINANCIAL PERFORMANCE

Group revenue for the year amounted to RM100 million, an increase of 11.5% compared to 2004, due to higher demand of the Company's products in both the domestic and overseas markets. Group profit before tax improved by 12.6% to RM10.2 million while profit after tax rose by 10.7% to RM8.4 million. The earnings per share recorded at 9.32 sen and the net assets per share increased to RM0.77 from RM0.74. Our steady growth over the financial year 2005 reinforces confidence in our strategic vision of being focused on our core competencies; we are well positioned to continue our growth in our core markets.

REVIEW OF OPERATIONS

The Group maintained its growth momentum despite facing with increasing competition and rising overheads especially fuel costs. The successful sales and production expansion were enabled by the use of latest information technology to achieve productivity cost-effectiveness and efficiency. Dedicated and experience management further attributed to its success.

During the year, the Group invested RM6.6 million on two pieces of land in Rawang measuring approximately 130,865 and 197,811 square feet respectively. These additions would allow the Group to increase its production capacity by building new factories and warehouse for its cookies and hard candy products and is in line with the Group's strategy to further expand its business operations in the future.

A milestone was achieved during the year where the new factory at Lot 5, Rawang Integrated Industrial Park which produces cookies, chocolate and wafer was awarded the Hazard Analysis Critical Control Point ("HACCP") Certificate by SGS (Malaysia) Sdn. Bhd. HACCP is an international Food Safety methodology that relies on the identification of Critical Control Points (CCPs) in food production and preparation processes. The CCPs are the closely monitored in order to ensure that food is safe for consumption. This award further strengthens the Group's competitive edge and reinforces consumer loyalty to our products.

The Lot 100 fruit gummy product has been a great success and its demand is overwhelmed. Having already captured a substantial market share in the gummy products locally, the demand from countries like Hong Kong and Taiwan are also rising. The Group continues to use its fruit gummy product as the premier export market product to further expands its fruit gummy penetration into other neighboring countries such as Vietnam, Thailand, Philippines and Indonesia. Participation in international food exhibitions and fairs and setting up representative offices are some of the strategies undertaken by the Group to further increase its opportunities to successfully penetrating into the foreign market.

DIVIDEND

A tax exempt interim dividend of 8% for the year ended 31 December 2005 was paid on 4 August 2005. The Board does not recommend any final dividend payment for the financial year ended 31 December 2005.

CHAIRMAN'S STATEMENT (Cont'd)

CORPORATE DEVELOPMENT

As announced on 21 March 2006, the Company proposes to carry out a bonus issue up to 30,000,000 new ordinary shares of RM0.50 each to be credited as fully paid-up on the basis of one (1) new share for every three (3) existing shares held ("Proposed Bonus Issue"). Upon completion of the Proposed Bonus Issue, the Company proposes to transfer the listing of and quotation for the enlarged issued and paid-up share capital from the Second Board to the Main Board of Bursa Malaysia Securities Berhad.

PROSPECTS

The Directors are optimistic with the future prospects of the Group. Strategic planning for profitable sales growth, market penetration and expansion, products enhancement and development, along with a disciplined approach towards capital investment, will see the Group achieving greater success in the future. These strategies are expected to prove fruitful for the Group's long-term goals. The Group will not rule out the merger and acquisition route for growth as a long-term plan.

ACKNOWLEDGEMENT & APPRECIATION

On behalf of the Directors, I would like to express my heartfelt gratitude and appreciation to our shareholders, customers, business associates, bankers and various government agencies for the continued support. To all our management and staff, we thank you for your contribution, commitment and loyalty towards the Group.

Lastly, my sincere thanks to my fellow Directors for their invaluable advice and guidance to the Board.

Dato' Azman bin Mahmood
Chairman

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (the “Board”) is committed to ensuring the highest standards of corporate governance are practiced throughout the Group to achieve its objectives of protecting and maximizing stakeholders’ value and to safeguard the Group’s assets.

This statement sets out the commitment of the Board towards good corporate governance and the extent to which it has complied with the Principles and Best Practices of the Malaysian Code on Corporate Governance.

A. DIRECTORS

Board Composition and Balance

The Company is headed by the Board comprises of six (6) members, of whom four (4) are Executive Directors and two (2) are Independent Non-Executive Directors. The Board members, with different background and specialization, collectively bring with them a wide range of experience and expertise to lead and control the Company. With their intimate knowledge of the Group’s business, all Board members are committed to take on the primary responsibilities to direct towards successful growth of the Company and ultimately the enhancement of long-term shareholders’ value.

The Board has a clear division of responsibilities to ensure a balance of authority and power. The Executive Directors are responsible for the day-to-day operations and business activities of the Group, while the Independent Non-Executive Directors ensure that the Board practices good governance in discharging its duties with accountability and transparency.

Meetings

The Board meets at least four (4) times a year at quarterly intervals with additional meetings to be convened as and when required. During the financial year ended 31 December 2005, the Board convened four (4) meetings, with details on the attendance of Directors listed below: -

Board Members	Attendance
Dato’ Azman bin Mahmood	4/4
Mr. Liew Fook Meng	4/4
Mr. Lau Kee Von	4/4
Mr. Lau Pak Lam	4/4
Mr. Liew Yoon Kee	3/4
Mr. Chow Kee Kan @ Chow Tuck Kwan	4/4

Supply of Information

The Board recognizes that the decision making process is highly dependent on the quality of information furnished. As such, in discharging their duties, the Directors have full and timely access to all information concerning the Company and the Group. All Board meetings held were preceded by a notice issued by the Company Secretary. Prior to each Board meeting, the agenda together with relevant reports and Board papers would be circulated to all Director in sufficient time to enable effective discussions and decision making during Board meetings. In addition, the Board is also notified of any corporate announcements released to the Bursa Malaysia Securities Berhad.

The Directors have full access to the advice and services of the Company Secretaries, the senior management staff, the external auditors and other independent professionals at all times in the discharge of their duties and responsibilities.

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

Appointments to the Board

The Nomination Committee comprises of the following members : -

Mr. Chow Kee Kan @ Chow Tuck Kwan	- Chairman/ Independent Non-Executive Director
Dato' Azman bin Mahmood	- Member/ Independent Non-Executive Director

The Nomination Committee is primarily empowered by its terms of reference to perform amongst others, to recommend to the Board, new candidates as Board members or Board committee members.

Re-election

The Company's Articles of Association provides that at each Annual General Meeting, one-third (1/3) of the Directors for the time being, or if their number is not a multiple of three (3), the number nearest to one-third (1/3) with a minimum of one (1), shall retire from office and an election of Directors shall take place provided always that each Director shall retire at least once in every three (3) years but shall be eligible for re-election. Any Directors appointed during the year shall hold office only until the next Annual General Meeting and then be eligible for re-election.

The details of Directors' who will retire at the forthcoming Annual General Meeting are disclosed in the Statement Accompanying Notice of the Sixth Annual General Meeting on page 4.

Directors' Training

All the Directors of the Company have completed the Mandatory Accreditation Programme prescribed by the Bursa Malaysia Securities Berhad's Listing Requirements. The Board encourages its Directors to undergo other relevant training programmes on a continuous basis to further enhance their skills and knowledge to enable them to discharge their respective duties effectively. During the year, the Directors attended seminars and workshops relevant to their respective roles such as Budget Review, National Tax Conference, Goods and Service Tax, Familiarization programme on new machineries, Health and Safety procedures and etc.

B. DIRECTORS' REMUNERATION

Remuneration Committee

The Remuneration Committee comprises of the following members: -

Name	Position
Dato' Azman bin Mahmood	Chairman / Independent Non-Executive Director
Mr. Chow Kee Kan @ Chow Tuck Kwan	Member / Independent Non-Executive Director
Mr. Liew Fook Meng	Member / Executive Director

The Remuneration Committee reviews and recommends to the Board on remuneration packages and other terms of employment of the Executive Directors.

The determination of remuneration of Non-Executive Directors is a matter to be decided by the Board as a whole. The Directors concern will be abstained from the deliberation of their own remuneration packages.

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

Details of Directors' Remuneration

The aggregate remuneration of the Directors for the financial year ended 31 December 2005 received by Directors of the Company from the Group are as follows: -

Remuneration	Executive Director (RM)	Non-Executive Director (RM)	Total (RM)
Fees	96,000	60,000	156,000
Salaries and Allowances	951,340	11,500	962,840
Bonuses and Incentives	127,000	-	127,000
Benefits in kind	-	-	-
TOTAL	1,174,340	71,500	1,245,840

The number of directors whose total remuneration from the Group falling within the respective bands for the financial year ended 31 December 2005 is disclosed as follows:-

Range of Remuneration	Executive Director	Non-Executive Director
Below RM50,000	-	2
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	-	-
RM200,001 to RM250,000	1	-
RM250,001 to RM300,000	-	-
RM300,001 to RM350,000	3	-

C. SHAREHOLDERS

Dialogue Between Companies And Investors

The Company recognizes the importance of communication with shareholders and investors and keeping them informed of the Group's developments. The dissemination of information to shareholders and investors is conducted via various public announcements, announcements of quarterly financial results, the Company's annual reports and circulars to shareholders.

The Annual General Meeting

The Annual General Meeting ("AGM") remains the principal forum for dialogue with the shareholders of the Company. Shareholders are encouraged to attend and communicate with the Board at the AGM and to vote on all resolutions.

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements and quarterly announcements of financial results, the Board aims to present a balanced and meaningful assessment of the Group's financial positions and prospects. The Board is assisted by the Audit Committee in overseeing the Group's financial reporting processes and accuracy of its financial reporting.

Internal Control

The Statement on Internal Control is set out on page 16 of this Annual Report.

Relationship with Auditors

The Group has established a transparent and an appropriate relationship with the external auditors through the Audit Committee. The auditors would highlight to the Audit Committee and the Board from time to time on matters that require the Board's attention.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required under the Companies Act, 1965 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and the results and cash flows of the Company and of the Group for that period.

Hence, the Directors have ensured that the financial statements have been prepared in accordance with applicable accounting standards in Malaysia, the requirements of the Act, the Listing Requirements of the Bursa Malaysia Securities Berhad and other statutory requirements. In preparing the financial statements, the Directors have applied appropriate accounting policies on a consistent basis and made judgments and estimates that are reasonable and prudent.

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

This Statement is made in accordance with a resolution of the Board of Directors dated 20 March 2006.

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

As at the date of this report, the gross proceeds of RM6,500,000 raised from the public issue of 10,000,000 new ordinary shares of nominal value RM0.50 each at an issue price of RM0.65 per share pursuant to the Company's listing on 18 January 2005 has been utilized in the following manner: -

Purpose	Amount Raised (RM'000)	Amount Utilised (RM'000)	Balance / (Over Utilised) (RM'000)	Utilisation Timing
1) Repayment of bank borrowings	4,000	3,733	267	Within 3 month after listing
2) Working capital	1,000	1,642	(642)	Within 8 month after listing
3) Estimated listing expenses	1,500	1,125	375	Within 2 month after listing
TOTAL	6,500	6,500	Nil	

2. Share Buybacks

The Company did not enter into any share buyback transactions during the financial year ended 31 December 2005.

3. Options, Warrants or Convertible Securities

The Company has not issued any options, warrants or convertible securities during the financial year ended 31 December 2005.

4. American Depositary Receipt (ADR) or Global Depositary Receipt (GDR) Programme

The Company did not sponsor any ADR or GDR programme during the financial year ended 31 December 2005.

5. Imposition of Sanctions and / or Penalties

There were no sanctions and / or penalties imposed on the Company and its subsidiaries, Directors or Management by relevant regulatory bodies during the financial year ended 31 December 2005.

6. Non-audit Fees

During the financial year ended 31 December 2005, there were no non-audit fees paid or payable to the external auditors, Messrs. Wong Weng Foo & Co. by the Company.

7. Profit Guarantee

There was no profit guarantee given by the Company during the financial year ended 31 December 2005.

8. Material Contracts

There were no material contracts entered into by the Company and / or its subsidiaries during the financial year ended 31 December 2005, which involves the interest of Directors and major shareholders.

9. Revaluation Policy

The Company does not adopt a policy of regular revaluation.

STATEMENT ON INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires the Board of Directors (the “Board”) of public listed companies to maintain a sound system of internal control to safeguard shareholders’ investment and Group’s assets.

Bursa Malaysia Securities Berhad’s Listing Requirements, Paragraph 15.27(b) requires the Board to make a statement about the state of internal control of the listed entity as a Group.

The Board is committed to continuously improve the Group’s system of internal control and is pleased to provide the following statement.

RESPONSIBILITIES

The Board asserts the importance of a sound system of internal control, which covers financial, organisational, operational and compliance control. The Board also affirms its overall responsibility for the Group’s systems of internal control and systems of compliance with applicable laws, regulations, rules, directives and guidelines. The Board is to review the effectiveness, adequacy and integrity of those systems. Such systems are designed to safeguard shareholders’ investments and the Group’s assets.

It should be noted, however, that such systems are designed to manage rather than eliminate the risk of failure to meet the Group’s business objectives. In pursuing those objectives, these systems can only provide reasonable, and not absolute, assurance against material misstatement of loss.

CONTROL STRUCTURE AND ENVIRONMENT

The Board is fully committed to ensuring that a proper control environment is maintained within the organisation to govern the manner in which the Group and its employees conduct themselves. The key elements of controls are:

Internal Audit Function

The periodic reviews carried out by the Internal Audit function on processes and state of internal controls as part of its internal audit plan are reported to the Board through the Audit Committee.

The systems of internal control described in this statement are considered by the Board to be adequate and the risks are considered by the Board to be at an acceptable level within the context of the business environment throughout the Group’s business. However, such systems do not eliminate the possibility of human error, collusion or deliberate circumvention of control procedures by employees and others, nor the occurrence of unforeseeable circumstances due to poor judgement in decision making. Nevertheless, the system of internal control that exist throughout the financial year provide a level of confidence on which the Board relies for assurance.

The Audit Committee

The Audit Committee comprises executive and non executive directors, a majority of whom are independent and all of whom bring with them a wide variety of experience. The Audit Committee has full and unimpeded access to both the internal as well as external auditors.

The Audit Committee operating within its Terms of Reference and ensuring that there are effective risk monitoring and compliance procedures to provide the level of assurance required by the Board.

The Audit Committee, on behalf on the Board, regularly reviews and holds discussions with Management on the action taken on internal control issues identified in reports prepared by the internal auditors, the external auditors and the Management.

STATEMENT ON INTERNAL CONTROL (Cont'd)

Organisation Structure with Defined Roles and Responsibilities

The organisation has clearly defined delegation of responsibilities to committees of the Board and to management of the business, which is delegated as and when the Board deems fit to do so.

Other Key Areas of Internal Control

The following are the other key areas of the Group's internal control systems:

The Board reviews quarterly reports from the Management on the key operating performance, legal, environmental and regulatory matters. Financial performances are deliberated at the Management Committee and also tabled to the Board on a quarterly basis.

The Group performs comprehensive annual budgeting and forecasting exercise, which include establishing the performance indicators against which business units and subsidiary companies can be evaluated.

Monthly and quarterly management reports containing key financial results and operational performance indicators compared to the approved budget and any variances resulting there from are then explained and reviewed.

The professionalism and competency of staff are enhanced through a properly planned training, development programme and also a stringent recruitment process. A performance appraisal system of staff is in place, with established targets and accountability and is reviewed on an annual basis.

During the financial year under review, the internal auditors did not find any material losses as a result of major internal control weaknesses in the Group. Nevertheless, recommendations for improvement were made to strengthen the control environment.

This statement is made in accordance with the resolution of the Board of Directors dated 20 March 2006.

REPORT ON AUDIT COMMITTEE

1. MEMBERSHIP

The Audit Committee consists of three (3) members comprises two (2) independent non-executive directors and one (1) executive director. The composition of Audit Committee is as follows: -

Name	Position
Dato' Azman bin Mahmood	Chairman/ Independent Non-Executive Director
Mr. Chow Kee Kan @ Chow Tuck Kwan	Member/ Independent Non-Executive Director
Mr. Liew Fook Meng	Member/ Executive Director

2. TERMS OF REFERENCE

Composition

The Audit Committee shall be appointed by the Board of Directors (the "Board") from amongst its members (excluding alternate directors) which shall fulfill the following requirements:-

- (a) The Audit Committee must be composed of no fewer than three members;
- (b) A majority of the Audit Committee must be independent directors; and
- (c) at least one member of the Audit Committee :-
 - (i) must be 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 (3) years' working experience and :-
 - (aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - (bb) 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; or
 - (iii) fulfils such other requirements as prescribed by the Bursa Malaysia Securities Berhad.

If a member of the Audit Committee resigns, dies, or for any reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall within one (1) month of the event appoint such number of new members as may be required to fill the vacancy.

Chairman

The Chairman of the Audit Committee shall be appointed by the Board and shall be an independent director.

Secretary

The Company Secretary shall be the secretary of the Audit Committee. The Secretary shall also be responsible for maintaining the minutes of Audit Committee meetings and circulating them to the committee members and to the other members of the Board.

REPORT ON AUDIT COMMITTEE (Cont'd)

Meetings

The Audit Committee shall meet at least four (4) times a year. The Head of Finance will normally be invited to attend all meetings of the Audit Committee. The presence of external auditors will be requested if required and the external auditors may also request a meeting if they consider it necessary. The quorum for a meeting shall be two (2) members of which the majority must be independent directors.

Authority

The Audit Committee is authorized by the Board to investigate any activity within its terms of reference and shall have unrestricted access to information, documents and resources it requires for the purpose of discharging its functions and responsibilities.

The Audit Committee shall have the authority to convene meetings with the external auditors excluding the attendance of the executive members of the Committee, whenever deemed necessary and is also authorized to obtain legal or other independent professional advice if necessary.

Duties and Responsibilities

The duties and responsibilities of the Audit Committee shall be: -

- (i) To review and recommend the appointment of the external auditor, the audit fee and any questions of resignation or dismissal;
- (ii) To discuss with the external auditors before the audit commences, the nature and scope of the audit for the Company and the Group;
- (iii) To review the quarterly and year-end financial statements prior to the approval by the Board, focusing particularly on: -
 - Any changes in accounting policies and practices;
 - Significant adjustments arising from the audit;
 - The going concern assumption;
 - Compliance with accounting standards and other legal requirements.
- (iv) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management where necessary);
- (v) To review the external auditor's management letter and management's response;
- (vi) To do the following in relation to the internal audit function:
 - review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - review the internal audit programme and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
 - review any appraisal or assessment of the performance of members of the internal audit function;
 - approve any appointment or termination of senior staff members of the internal audit function;
 - inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- (vii) To review any related party transactions and conflict of interest situation that may arise within the Company or Group;
- (viii) To consider the major findings of internal investigations and management's response;

REPORT ON AUDIT COMMITTEE (Cont'd)

3. MEETINGS AND SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2005, a total of four (4) meetings were held with all Committee Members present.

Members	Attendance
Dato' Azman bin Mahmood	4/4
Mr. Chow Kee Kan @ Chow Tuck Kwan	4/4
Mr. Liew Fook Meng	4/4

The Head of Finance and the Company Secretary were present at all meetings. The external auditors and Internal Auditors were also present at meetings where their input and advice are required.

The activities undertaken by the Committee during the financial year were as follows: -

1. Reviewed the Terms of Reference of the Committee;
2. Reviewed the external auditors' scope of work and audit plan for the year;
3. Discussed and reviewed the Quarterly Financial Results, focusing particularly on the financial reporting and compliance with the disclosure requirements, prior to the submission to the Board of Directors for consideration and approval;
4. Discussed and reviewed the Audited Financial Statements, focusing particularly on any changes in accounting policies and practices, significant adjustments arising from audit or unusual events, the going concern assumption and compliance with the accounting standards and other requirements, prior to the submission to the Board of Directors for consideration and approval;
5. Considered the Internal Audit function of the Company and reviewed and received the Internal Audit Reports; and accessing the Internal Auditors' findings and the management's responses thereto and thereafter, making the necessary recommendations or changes to the Board of Directors.
6. Reviewed the Internal Control Statement and Corporate Governance Statement for inclusion in the Company's Annual Report
7. Considered and recommended the nomination of external auditors for the Board of Directors' approval.

4. INTERNAL AUDIT FUNCTION

The Internal Audit Function has assisted the Audit Committee and the Board of Directors in reviewing the system of internal controls of the Company in line with the Bursa Malaysia Securities Berhad's Listing Requirements and the Code of Corporate Governance.

The Internal Audit Function provides assurance to the management and Audit Committee that all the requisite controls are in place and managed appropriately and assists the Company in the effective discharge of responsibilities, promoting the establishment of cost-effective controls, assessing risks and recommending measures to mitigate those risks.

The Internal Audit Function had conducted reviews on the areas of Manufacturing and Production process, and Accounts Receivables, Credit Control and Collection process for the Company and its subsidiaries as at to date. Audit reports were issued to the Audit Committee and Board of Directors, incorporating findings, recommendations to improve on the weaknesses noted in the course of the audits and management comments on the findings.

An established system has been in place to ensure that all remedial actions had been taken on the agreed audit issues and recommendations highlighted in the audit reports.

Financial Statement

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AUDITORS' REPORT TO THE MEMBERS OF COCOALAND HOLDINGS BERHAD

We have audited the financial statements set out on pages 28 to 54. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

We conducted our audit in accordance with Approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain 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 estimate made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

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

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for these purposes.

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

WONG WENG FOO & CO.
AF: 0829
CHARTERED ACCOUNTANTS

WONG WENG FOO
1218/03/08 (J/PH)

KUALA LUMPUR
Dated this : 20th March, 2006

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31st December, 2005.

PRINCIPAL ACTIVITIES

The Company's principal activity is that of investment holding. The principal activities of the subsidiary companies are stated in Note 3 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit after taxation	8,360,666	3,756,014
Retained profit/ (Accumulated loss) brought forward	19,022,580	(16,037)
	<u>27,383,246</u>	<u>3,739,977</u>
Interim tax exempt dividend paid of 8% on 4th August, 2005	(3,600,000)	(3,600,000)
Retained profit carried forward	<u>23,783,246</u>	<u>139,977</u>

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The Company was admitted to the official list of the Second Board of the Bursa Malaysia Securities Berhad and official listing and quotation of its entire paid-up share capital comprising 90,000,000 ordinary shares of RM0.50 each, commenced on 18th January, 2005.

DIVIDENDS

Since the end of the previous financial year, the directors declared and paid an interim tax exempt dividend of 8% amounting to RM3,600,000 on 4th August, 2005 in respect of the financial year ended 31st December, 2005.

The directors do not recommend a final dividend for the financial year ended 31st December, 2005.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

DIRECTORS' REPORT (CONT'D)

ISSUE OF SHARES OR DEBENTURES

During the financial year, in conjunction with the public listing, the Company increased its issued and fully paid shares capital from RM40,000,000 to RM45,000,000 by a Public Issue of 10,000,000 new ordinary shares of RM0.50 each at an issue price of RM0.65 per share payable in full on application, comprising:

- (i) 1,800,000 new ordinary shares available for application by eligible employees of the Group;
- (ii) 600,000 new ordinary shares reserved for Bumiputera investors nominated and approved by MITI;
- (iii) 6,000,000 new ordinary shares available for application by the Malaysian public; and
- (iv) 1,600,000 new ordinary shares by way of private placement to identified public investors.

The gross proceeds raised from the public issue amounted to RM6.5 million.

Subsequent to the balance sheet date, on 20th March, 2006, the Board of Directors have approved:-

- i) Proposed bonus issue of 30,000,000 new ordinary shares of RM0.50 each on the basis of 1 new ordinary share for every 3 existing ordinary shares held by capitalising RM15,000,000 from the Company's retained earnings; and
- ii) Proposed increase in authorised share capital from RM50,000,000 divided into 100,000,000 ordinary shares of RM0.50 each to RM100,000,000 divided into 200,000,000 ordinary shares of RM0.50 each.

There were no issue of debentures during the financial year.

An application will be made to the relevant authorities to seek transfer of the listing of and quotation for the issued and paid-up share capital comprising 120,000,000 ordinary shares of RM0.50 each of the Company from the Second Board to the Main Board of the Bursa Malaysia Securities Berhad.

OPTIONS GRANTED OVER UNISSUED SHARES

No share options were granted during the financial year.

BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and are satisfied that all known bad debts have been written off and adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would render the amount of bad debts written off or allowance made for doubtful debts inadequate to any substantial extent.

CURRENT ASSETS

Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps to ascertain whether any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Group and of the Company and to the extent so ascertained were written down to an amount that they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets of the Group and of the Company misleading.

DIRECTORS' REPORT (CONT'D)

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

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

No contingent liability or other liability of the Group or of the Company 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.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or in the financial statements of the Group and of the Company that would render any amount stated in the respective financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

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

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, in the opinion of the directors, 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.

DIRECTORS OF THE COMPANY

The directors who served since the date of the last report are as follows:-

Dato' Azman Bin Mahmood
Liew Fook Meng
Lau Kee Von
Liew Yoon Kee
Lau Pak Lam
Chow Kee Kan @ Chow Tuck Kwan

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTEREST

According to the register of directors shareholdings, the interest of directors in office at the end of the financial year in shares of the Company and related corporations during the financial year ended 31st December, 2005 are follows:-

The Company	No of Ordinary Shares of RM0.50 each				Balance at 31.12.2005
	Balance at 1.1.2005	*Consolidation of interest	Bought	Sold	
Dato' Azman Bin Mahmood					
- direct	-	-	400,000	(105,000)	295,000
- indirect	-	-	-	-	-
Liew Fook Meng					
- direct	7,292,852	(7,292,852)	4,739,200	-	4,739,200
- indirect	43,286,147	7,292,852	821,304	-	51,400,303
Lau Kee Von					
- direct	7,632,649	(7,632,649)	101,800	-	101,800
- indirect	42,946,350	7,632,649	5,458,704	-	56,037,703
Liew Yoon Kee					
- direct	7,292,958	(7,292,958)	55,000	-	55,000
- indirect	43,286,041	7,292,958	5,505,504	-	56,084,503
Lau Pak Lam					
- direct	7,292,958	(7,292,958)	339,500	-	339,500
- indirect	43,286,041	7,292,958	5,221,004	-	55,800,003
Chow Kee Kan @ Chow Tuck Kwan					
- direct	-	-	-	-	-
- indirect	-	-	-	-	-

*In conjunction with the public listing exercise undertaken by the Company, the above 4 directors, namely Messrs Liew Fook Meng, Lau Kee Von, Liew Yoon Kee and Lau Pak Lam transferred all their entire new Company's shares allotted and issued to them arising from the said exercise to Leverage Success Sdn Bhd for the purpose of consolidating their interest in the Company. Concurrent with the consolidation of interests, the 4 shares held by Mr Yap Foo Teng and Raja Noorbaini Binti Raja Azam, former nominee directors, were also transferred to Leverage Success Sdn Bhd. On completion of the consolidation of interest exercise, on 13th January, 2005, Leverage Success Sdn Bhd was the registered shareholder of 48,963,728 new Company shares of RM0.50 each.

Ultimate Holding Company - Leverage Success Sdn Bhd	No of Ordinary Shares of RM1 each			Balance at 31.12.2005
	Balance at 1.1.2005	Bought	Sold	
Liew Fook Meng				
- direct	1,500	-	-	1,500
- indirect	8,500	-	-	8,500
Lau Kee Von				
- direct	1,500	-	-	1,500
- indirect	8,500	-	-	8,500
Liew Yoon Kee				
- direct	1,500	-	-	1,500
- indirect	8,500	-	-	8,500
Lau Pak Lam				
- direct	1,500	-	-	1,500
- indirect	8,500	-	-	8,500

By virtue of their substantial shareholdings in the Company, Messrs Liew Fook Meng, Lau Kee Von, Liew Yoon Kee and Lau Pak Lam are also deemed interested in the shareholdings of the subsidiary companies to the extent the ultimate holding company has an interest.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

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

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.

ULTIMATE HOLDING COMPANY

The directors regard Leverage Success Sdn Bhd, incorporated in Malaysia, as the ultimate holding company.

AUDITORS

The auditors, Messrs Wong Weng Foo & Co., have expressed their willingness to continue in office.

Signed on behalf of the Board of directors in accordance with a resolution dated 20th March, 2006.

LIEW FOOK MENG

Director

LAU KEE VON

Director

KUALA LUMPUR

CONSOLIDATED BALANCE SHEET

AS AT 31ST DECEMBER 2005

	Note	2005 RM	2004 RM
ASSETS			
Non-current assets			
Property, plant and equipment	2	47,640,155	42,039,974
Investment	4	1,000	1,000
		47,641,155	42,040,974
Current assets			
Inventories	5	13,146,997	9,414,848
Trade receivables	6	18,088,000	16,216,077
Other receivables, deposits and prepayments	7	2,474,787	8,712,157
Deposits, cash and bank balances	8	6,851,204	3,301,301
		40,560,988	37,644,383
Total assets		88,202,143	79,685,357
EQUITY			
Share capital	9	45,000,000	40,000,000
Reserves	10	24,157,783	19,022,580
Total equity		69,157,783	59,022,580
LIABILITIES			
Non-current liabilities			
Hire-purchase creditors	11	108,980	644,057
Term loans	12	57,009	3,724,302
Deferred income tax liabilities	13	3,315,500	2,619,000
		3,481,489	6,987,359
Current liabilities			
Trade payables		10,965,748	8,456,227
Other payables and accruals	14	3,293,155	3,942,328
Hire-purchase creditors	11	188,449	604,794
Amount due to directors	15	137,557	137,573
Term loans	12	16,459	16,459
Bank overdrafts	12	944,503	479,643
Current income tax liabilities		17,000	38,394
		15,562,871	13,675,418
Total liabilities		19,044,360	20,662,777
Total equity and liabilities		88,202,143	79,685,357

The attached notes form an integral part of the Financial Statements.

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2005

	Note	2005 RM	2004 RM
OPERATING REVENUE		100,262,412	89,923,153
OTHER OPERATING INCOME		324,054	132,322
CHANGES IN INVENTORIES OF WORK IN PROGRESS AND FINISHED GOODS		3,732,149	1,582,727
WORK PERFORMED BY THE GROUP AND CAPITALISED	17	(15,251,876)	(13,377,193)
RAW MATERIALS AND CONSUMABLES USED		(60,060,564)	(53,623,674)
STAFF COSTS	17	(5,436,395)	(4,580,290)
DEPRECIATION	17	(5,738,153)	(4,905,963)
OPERATING EXPENSES		(7,336,355)	(5,902,444)
PROFIT FROM OPERATIONS		10,495,272	9,248,638
FINANCE COST	17	(263,387)	(157,942)
PROFIT BEFORE TAXATION	17	10,231,885	9,090,696
TAXATION	18	(1,871,219)	(1,536,973)
PROFIT FOR THE YEAR		8,360,666	7,553,723
Attributable to:			
Equity holders of the Company		8,360,666	7,553,723
EARNINGS PER SHARE (sen)			
	19	9.32	9.44

The attached notes form an integral part of the Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2005

	Share capital (Note 9) RM	Share premium (Note 10) RM	Revaluation reserve RM	Merger reserve RM	Retained profit (Note 10) RM	Total RM
At 1st January 2004	2	-	-	-	42,128,288	42,128,290
Allotted during the year for the acquisition of subsidiaries	39,999,998	-	-	-	-	39,999,998
Surplus on revaluation of properties	-	-	6,340,567	-	-	6,340,567
Merger deficit arising from the acquisition of subsidiaries						
- Cost of investments	-	-	-	(39,999,998)	-	(39,999,998)
- Nominal value of shares acquired	-	-	-	3,000,000	-	3,000,000
	-	-	-	(36,999,998)	-	(36,999,998)
Merger deficit set off	-	-	(6,340,567)	36,999,998	(30,659,431)	-
Profit for the year	-	-	-	-	7,553,723	7,553,723
At 31st December 2004/ 1st January 2005	40,000,000	-	-	-	19,022,580	59,022,580
Public issue	5,000,000	1,500,000	-	-	-	6,500,000
Listing expenses	-	(1,125,463)	-	-	-	(1,125,463)
Profit for the year	-	-	-	-	8,360,666	8,360,666
Interim tax exempt dividend paid of 8% on 4th August, 2005	-	-	-	-	(3,600,000)	(3,600,000)
At 31st December 2005	45,000,000	374,537	-	-	23,783,246	69,157,783

The attached notes form an integral part of the Financial Statements.

CONSOLIDATED CASH FLOWS STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2005

	2005 RM	2004 RM
Cash Flows From Operating Activities		
Profit before taxation	10,231,885	9,090,696
Adjustments for:-		
Bad debts written off	-	36,757
Allowance for doubtful debts	1,027,238	912,399
Depreciation	5,738,153	4,905,963
Dividend income	(150)	(230)
Gain on disposal of property, plant and equipment	(35,402)	(440)
Interest expense	263,387	157,942
Interest income	(171,816)	(29,504)
Operating profit before working capital changes	17,053,295	15,073,583
Increase in inventories	(3,732,149)	(1,582,727)
Decrease in receivables	3,358,794	1,319,847
Increase/ (Decrease) in payables	1,860,332	(11,125,605)
Cash generated from operating activities	18,540,272	3,685,098
Interest paid	(263,387)	(157,942)
Interest received	171,816	29,504
Tax refunded	-	1,557,983
Tax paid	(1,216,698)	(1,227,563)
Dividend paid	(3,600,000)	-
Net cash provided by operating activities	13,632,003	3,887,080
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	96,700	55,200
Dividend received	150	230
^Purchase of property, plant and equipment	(11,339,632)	(862,048)
Net cash used in investing activities	(11,242,782)	(806,618)

CONSOLIDATED CASH FLOWS STATEMENT (CONT'D)

	2005 RM	2004 RM
Cash Flows From Financing Activities		
Proceeds from public issue	6,500,000	-
Listing expenses	(1,125,463)	-
Repayment of term loans	(3,667,293)	(4,516)
Repayment of hire-purchase creditors	(1,011,422)	(528,297)
Net cash provided by/ (used in) financing activities	695,822	(532,813)
Net changes in cash and cash equivalents	3,085,043	2,547,649
*Cash and cash equivalents brought forward	2,821,658	274,009
*Cash and cash equivalents carried forward	5,906,701	2,821,658
*Cash and cash equivalents consist of:-		
Fixed deposits with licensed banks	407,650	394,485
Short term deposits with a licensed bank	4,510,000	280,000
Cash and bank balances	1,933,554	2,626,816
Bank overdrafts	(944,503)	(479,643)
	5,906,701	2,821,658

^Purchase of property, plant and equipment

Property, plant and equipment at aggregate cost of RM11,399,632 (2004 – RM5,916,804) of which RM60,000 (2004 – RM1,309,479) was acquired by means of hire-purchase and Nil (2004 – RM3,745,277) by means of term loans.

The attached notes form an integral part of the Financial Statements

BALANCE SHEET

AS AT 31ST DECEMBER 2005

	Note	2005 RM	2004 RM
ASSETS			
Non-current assets			
Investment in subsidiary companies	3	39,999,998	39,999,998
		39,999,998	39,999,998
Current assets			
Deposits & prepayments	7	23,500	510,618
Amount due from a subsidiary company		5,096,039	-
Deposits, cash and bank balances	8	471,291	2
		5,590,830	510,620
Total assets		45,590,828	40,510,618
EQUITY			
Share capital	9	45,000,000	40,000,000
Reserves	10	514,514	(16,037)
Total equity		45,514,514	39,983,963
LIABILITIES			
Current liabilities			
Other payables and accruals	14	59,314	12,328
Amount due to a subsidiary company		-	514,327
Current income tax liabilities		17,000	-
		76,314	526,655
Total liabilities		76,314	526,655
Total equity and liabilities		45,590,828	40,510,618

The attached notes form an integral part of the Financial Statements

INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2005

	Note	2005 RM	2004 RM
OPERATING REVENUE		4,000,000	-
OTHER OPERATING INCOME		60,806	-
STAFF COSTS		(179,500)	-
OPERATING EXPENSES		(108,292)	(10,396)
PROFIT/ (LOSS) BEFORE TAXATION	17	3,773,014	(10,396)
TAXATION	18	(17,000)	-
PROFIT/ (LOSS) FOR THE YEAR		3,756,014	(10,396)
Attributable to:			
Equity holders of the Company		3,756,014	(10,396)

The attached notes form an integral part of the Financial Statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2005

	Share capital (Note 9) RM	Share premium (Note 10) RM	(Accumulated loss)/ Retained profit (Note 10) RM	Total RM
At 1st January 2004	2	-	(5,641)	(5,639)
Allotted during the year for the acquisition of subsidiaries	39,999,998	-	-	39,999,998
Loss for the year	-	-	(10,396)	(10,396)
At 31st December 2004/ 1st January 2005	40,000,000	-	(16,037)	39,983,963
Public issue	5,000,000	1,500,000	-	6,500,000
Listing expenses	-	(1,125,463)	-	(1,125,463)
Profit for the year	-	-	3,756,014	3,756,014
Interim tax exempt dividend paid of 8% on 4th August, 2005	-	-	(3,600,000)	(3,600,000)
At 31st December 2005	45,000,000	374,537	139,977	45,514,514

The attached notes form an integral part of the Financial Statements

CASH FLOWS STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2005

	2005 RM	2004 RM
Cash Flows From Operating Activities		
Profit/ (Loss) before taxation	3,773,014	(10,396)
Adjustment for:-		
Interest income	(60,806)	-
Operating profit/ (loss) before working capital changes	3,712,208	(10,396)
Increase in receivables	(4,608,921)	(510,618)
(Decrease)/ Increase in payables	(467,341)	521,014
Cash absorbed by operations	(1,364,054)	-
Interest received	60,806	-
Dividend paid	(3,600,000)	-
Net cash used in operating activities	(4,903,248)	-
Cash Flows From Investing Activities	-	-
Cash Flows From Financing Activities		
Proceeds from public issue	6,500,000	-
Listing expenses	(1,125,463)	-
Net cash provided by financing activities	5,374,537	-
Net change in cash and cash equivalents	471,289	-
*Cash & cash equivalents brought forward	2	2
*Cash & cash equivalents carried forward	471,291	2
*Cash & cash equivalents consist of:		
Short term deposits with a licensed bank	450,000	-
Cash and bank balances	21,291	2
	471,291	2

The attached notes form an integral part of the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

31ST DECEMBER 2005

1. SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following significant accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

1.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as disclosed in this summary of significant policies.

The preparation of financial statements in conformity with applicable Approved Accounting Standard in Malaysia and the provisions of the Companies Act, 1965 requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the reported financial year. Although these estimate are based on the directors' best knowledge of current events and actions, actual results could differ from those estimates.

1.2 Basis of Consolidation

The subsidiary companies have been consolidated using the merger method of accounting. Under this method, the differences between the purchase consideration and nominal value of the share capital of the subsidiary companies acquired are taken to reserve arising from merger or deficit arising from merger. The deficit, if any, are written off against revaluation reserve and retained profit in the financial statements of the subsidiary companies acquired.

The new Standard FRS 3 "Business Combinations" states that all business combinations shall be accounted for by applying the purchase method. However, the Group has adopted the exemption allowed to apply FRS 3 on a prospective basis. Accordingly, business combinations entered into prior to 1st January, 2006, have not been restated to comply with this Standard.

All significant intercompany transactions and balances are eliminated on consolidation.

1.3 Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost as modified by the revaluation of certain freehold and leasehold properties of the Group less accumulated depreciation and accumulated impairment loss, if any.

Freehold lands are not depreciated.

Long term and short term leasehold land and buildings are amortised over their respective lease periods which range from 10 to 78 years.

Depreciation on other property, plant and equipment is calculated on the straight line method to write off the cost of the assets over their estimated useful lives at the following annual rates:

	Over remaining useful lives of between 28 to 48 years
Freehold buildings	
Motor vehicles	20%
Plant and machinery	10%
Office equipment	10%
Furniture and fittings	10%
Warehouse equipment	10%
Electrical fittings	10%
Renovation	10%
Science lab equipment	10%
Factory equipment	10%

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31ST DECEMBER 2005

1.4 Investments

Investments in unquoted shares, are stated at cost less accumulated impairment losses, if any.

1.5 Inventories

Inventories are valued at the lower of cost and net realisable value. In general, cost is determined on first-in, first-out basis and comprise purchase cost and other incidental costs including transport and handling costs. In the case of finished goods, costs include all direct expenditure and production overheads based on the normal level of activity.

Net realisable value is the estimated selling price in the ordinary course of business less selling expenses. In arriving at net realisable value, due allowance is made for all obsolete, slow moving or defective inventories.

1.6 Impairment of Assets

The carrying values of assets other than inventories are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. An impairment loss is charged to the income statement immediately 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 depreciation and amortisation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, 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.

1.7 Income Tax

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

Deferred income tax liabilities 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 income tax liabilities are recognised for all taxable temporary differences and deferred income 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.

A deferred income tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred income tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred income tax asset to be utilised, the carrying amount of the deferred income tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reduction will be reversed to the extent of the taxable profit.

1.8 Receivables

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31ST DECEMBER 2005

1.9 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.

1.10 Provisions

Provisions are recognised when there is a present obligation, legal or constructive as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

1.11 Hire-purchase

Property, plant and equipment acquired under hire-purchase are capitalised and are depreciated on the same basis as owned assets as stated in Note 1.3 and the corresponding obligations relating to the remaining capital payments are treated as liabilities. Finance charges are charged to the income statement over the period of the plan and accounted for using the sum of digits method (Rule 78 method).

1.12 Interest-Bearing Borrowings

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

Borrowing costs directly attributable to the acquisition of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use. All other borrowing costs are charged to the income statement as an expense in the period in which they are incurred.

1.13 Share Capital

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of the shares are accounted for as a deduction from share premium, otherwise it is charged to the income statement.

Dividends to shareholders are recognised in equity in the period in which they are declared or approved by shareholders at general meeting.

1.14 Cash and Cash Equivalents

Cash and cash equivalents consists of cash in hand, bank balances and short term and fixed deposits with licensed banks, net of outstanding bank overdrafts which have an insignificant risk of changes in value.

1.15 Financial Instruments

Financial instruments are recognised in the balance sheet when the Group have become a party to the contractual provisions of the instruments. 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. Interest, 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 have 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31ST DECEMBER 2005

1.16 Foreign Currencies

Transactions in foreign currencies are converted into Malaysian Ringgit, the Group's functional currency, at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies at the balance sheet date have been converted into Ringgit Malaysia at the rate of exchange ruling at that date. Exchange differences are dealt with through the income statement.

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

Foreign currency	2005 RM	2004 RM
1 US Dollar	3.8	3.8
1 Singapore Dollar	2.2	2.3
1 Euro	4.7	5.2
1 Australian Dollar	2.8	3.0

1.17 Employee Benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non monetary benefits are accrued in the period in which the associated services are rendered by the employees of the Group.

(ii) Post-employment benefits

Defined contribution plan

The Group's contributions to the defined contribution plan ('Employees Provident Fund') are charged to the income statement in the period in which they relate. Once the contributions have been paid, the Group have no further payment obligations.

1.18 Operating Revenue

Operating revenue of the Group represents invoiced value of goods sold, net of returns, discounts and allowances. Operating revenue of the Company represents dividend income from subsidiaries.

1.19 Revenue Recognition

Revenue from sales of goods are recognised upon delivery of products and customer acceptance, if any, or performance of services.

Other revenue earned by the Group and the Company are recognised on the following basis:-

- Rental income - on accrual basis over the period of tenancy, unless its collectibility is in doubt.
- Interest income - as it accrues taking into account the effective yield on the assets, unless its collectibility is in doubt.
- Dividend income - as and when the shareholders' right to receive payment is established.
- Other income - on receipt basis.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31ST DECEMBER 2005

2. PROPERTY, PLANT AND EQUIPMENT

Group	Balance at 1.1.2005 RM	Additions RM	(Disposals) RM	Balance at 31.12.2005 RM
2005				
COST/ VALUATION				
At valuation:				
Freehold lands	7,081,913	-	-	7,081,913
Freehold buildings	9,218,086	-	-	9,218,086
Long term leasehold land and building	2,500,000	-	-	2,500,000
Short term leasehold land and building	3,000,000	-	-	3,000,000
At cost:				
Long term leasehold land and buildings	109,000	-	-	109,000
Short term leasehold land and building	68,045	-	-	68,045
Motor vehicles	4,963,684	212,140	(102,298)	5,073,526
Plant and machinery	34,973,968	7,806,112	(40,071)	42,740,009
Office equipment	728,010	40,729	-	768,739
Furniture and fittings	221,072	967	-	222,039
Warehouse equipment	232,982	592	-	233,574
Electrical fittings	789,107	49,365	-	838,472
Renovation	3,355,833	1,751,479	-	5,107,312
Science lab equipment	156,064	-	-	156,064
Factory equipment	5,203,199	1,538,248	-	6,741,447
	72,600,963	11,399,632	(142,369)	83,858,226

	Balance at 1.1.2005 RM	Additions RM	(Disposals) RM	Balance at 31.12.2005 RM
ACCUMULATED DEPRECIATION				
At valuation:				
Freehold lands	-	-	-	-
Freehold buildings	214,824	214,824	-	429,648
Long term leasehold land and building	34,247	34,247	-	68,494
Short term leasehold land and building	75,000	75,000	-	150,000
At cost:				
Long term leasehold land and buildings	1,397	1,397	-	2,794
Short term leasehold land and building	68,044	-	-	68,044
Motor vehicles	4,000,129	497,829	-	4,456,958
Plant and machinery	20,492,263	3,676,533	(41,000)	24,128,725
Office equipment	511,266	50,891	(40,071)	562,157
Furniture and fittings	189,878	6,284	-	196,162
Warehouse equipment	127,565	23,354	-	150,919
Electrical fittings	598,734	48,343	-	647,077
Renovation	1,664,350	460,889	-	2,125,239
Science lab equipment	43,166	15,606	-	58,772
Factory equipment	2,540,126	632,956	-	3,173,082
	30,560,989	5,738,153	(81,071)	36,218,071

	RM	RM
NET BOOK VALUE	42,039,974	47,640,155

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31ST DECEMBER 2005

2004	Balance at 1.1.2004 RM	Additions RM	(Disposals) RM	Revaluation surplus RM	Balance at 31.12.2004 RM
COST/ VALUATION					
At valuation:					
Freehold lands	4,559,691	-	-	2,522,222	7,081,913
Freehold buildings	9,179,653	-	-	38,433	9,218,086
Long leasehold land and building	1,642,220	-	-	857,780	2,500,000
Short term leasehold land and building	1,840,234	-	-	1,159,766	3,000,000

COST/ VALUATION	Balance at 1.1.2004 RM	Additions RM	(Disposals) RM	Revaluation surplus RM	Balance at 31.12.2004 RM
At cost:					
Long term leasehold land and buildings	-	109,000	-	-	109,000
Short term leasehold land and building	68,045	-	-	-	68,045
Motor vehicles	4,958,235	144,249	(138,800)	-	4,963,684
Plant and machinery	31,824,155	3,172,913	(23,100)	-	34,973,968
Office equipment	707,221	20,789	-	-	728,010
Furniture and fittings	211,561	9,511	-	-	221,072
Warehouse equipment	232,982	-	-	-	232,982
Electrical fittings	721,011	68,096	-	-	789,107
Renovation	2,273,464	1,082,369	-	-	3,355,833
Science lab equipment	127,314	28,750	-	-	156,064
Factory equipment	3,922,072	1,281,127	-	-	5,203,199
	62,267,858	5,916,804	(161,900)	4,578,201	72,600,963

ACCUMULATED DEPRECIATION	Balance at 1.1.2004 RM	Additions RM	(Disposals) RM	Revaluation surplus RM	Balance at 31.12.2004 RM
At valuation:					
Freehold lands	-	-	-	-	-
Freehold buildings	1,055,092	214,824	-	(1,055,092)	214,824
Long leasehold land and building	264,265	34,247	-	(264,265)	34,247
Short term leasehold land and building	443,009	75,000	-	(443,009)	75,000
At cost:					
Long term leasehold land and buildings	-	1,397	-	-	1,397
Short term leasehold land and building	66,685	1,359	-	-	68,044
Motor vehicles	3,318,123	682,006	-	-	4,000,129
Plant and machinery	17,611,517	2,977,386	(96,640)	-	20,492,263
Office equipment	472,604	49,162	(10,500)	-	511,266
Furniture and fittings	182,434	7,444	-	-	189,878
Warehouse equipment	104,267	23,298	-	-	127,565
Electrical fittings	553,162	45,572	-	-	598,734
Renovation	1,374,757	289,593	-	-	1,664,350
Science lab equipment	27,560	15,606	-	-	43,166
Factory equipment	2,051,057	489,069	-	-	2,540,126
	27,524,532	4,905,963	(107,140)	(1,762,366)	30,560,989
	RM				RM
NET BOOK VALUE	34,743,326				42,039,974

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31ST DECEMBER 2005

(i) Details of independent professional valuation of freehold and leasehold lands and buildings owned by the subsidiary companies at 31st December, 2005 are as follows:-

Year of revaluation	Description of properties	Location	Amount RM	Basis of valuation
2004	Industrial lot with a double storey warehouse with a 3 storey office annexe	No. 41, Jalan E 1/4, Kawasan Perusahaan Taman Ehsan 52100 Kepong Kuala Lumpur	2,500,000	Cost method and investment method
2004	Industrial land with a detached industrial factory complex comprising a main factory building with an annexe, 2 other factory buildings and a host of other support buildings/ structures	Lot 883, Off Jln Degong Mambang Diawan 31950 Kampar Perak Darul Ridzuan	3,000,000	Cost method and investment method
2004	Industrial land with a block of single storey factory with 2 storey office annexe, 3 blocks of single storey factory/ warehouses and a 2 storey canteen cum staff quarters	Lot 100, Rawang Intergrated Industrial Park, Mukim of Rawang, District of Gombak State of Selangor	10,000,000	Cost method and Investment method
2004	Industrial land with a single storey factory/ warehouse with 2 storey office annexe	Lot 5, Rawang Intergrated Industrial Park, Mukim of Rawang, District of Gombak State of Selangor	6,160,000	Cost method and Investment method
2004	Residential premises (Single – storey Semi – detached)	Title No. Geran 14144, Lot No 75742, Mukim of Kampar, District of Kinta State of Perak	140,000	Comparison Method and Investment Method

The subsidiary companies freehold and leasehold lands and buildings were valued by a firm of professional valuers, Messrs Colliers Jordan Lee & Jaafar, in December, 2003.

- (ii) Surplus arising from revaluation of these freehold and leasehold properties, which had been written off upon adopting merger accounting as a basis of consolidation, amounted to RM6,340,567.
- (iii) Deferred taxation arising on net revaluation surpluses amounted to RM390,701 (2004 - RM390,701) was not provided for in the financial statements as these properties are meant to be held for long term with no immediate intention for resale.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31ST DECEMBER 2005

iv) The title to certain freehold land and buildings of a subsidiary company have not been issued by the relevant authorities and have been alienated to the subsidiary company by way of sales and purchase agreements.

v) Certain property, plant and equipment of certain subsidiary companies were pledged as securities for banking facilities granted to those subsidiary companies as mentioned in Note 12.

vi) Property, plant and equipment of the Group acquired under hire-purchase instalment plans are as follows:-

	2005 RM	2004 RM
At net book value:		
Motor vehicles	212,979	411,315
Plant and machinery	<u>471,447</u>	<u>1,336,766</u>

vii) The net book value of revalued assets had these assets been carried at historical cost less depreciation would have been as follows:-

	2005 RM	2004 RM
Freehold land and buildings	12,317,066	12,500,659
Long term leasehold land and building	1,340,203	1,359,079
Short term leasehold land and building	<u>323,895</u>	<u>332,626</u>

viii) Cost of assets fully written down but still in use are as follows:-

	2005 RM	2004 RM
Leasehold land and building	68,045	68,045
Motor vehicle	2,905,773	2,584,371
Plant and machinery	8,197,273	5,451,107
Office equipment	176,636	151,252
Furniture and fittings	272,008	267,083
Electrical fittings	241,289	202,074
Renovation	840,881	651,349
Factory equipment	678,768	411,865
Store equipment	89,220	-
	<u>13,469,893</u>	<u>9,787,146</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31ST DECEMBER 2005

3. INVESTMENT IN SUBSIDIARY COMPANIES

Company	2005 RM	2004 RM
Unquoted shares, at cost	<u>39,999,998</u>	<u>39,999,998</u>

The subsidiary companies, all incorporated in Malaysia, are as follows:-

a) Direct subsidiary companies

Name	Issued and fully paid-up share capital of RM1.00 each RM	Effective equity interest		Principal Activities
		2005 %	2004 %	
Cocoaland Industry Sdn Bhd	1,000,000	100	100	Manufacturing and trading of processed and preserved foods and fruits of all kinds
L.B. Food Sdn Bhd	1,500,000	100	100	Wholesale and retail of processed and preserved foods
B Plus Q Sdn Bhd	500,000	100	100	Manufacturer of fruit juice and foodstuffs

b) Indirect subsidiary company

(Wholly-owned subsidiary company of B Plus Q Sdn Bhd)

Name	Issued and fully paid-up share capital of RM1.00 each RM	Effective equity interest		Principal Activities
		2005 %	2004 %	
M.I.T.E. Food Enterprise Sdn Bhd	225,000	100	100	Trading and distribution of foodstuffs

4. INVESTMENT

Group	2005 RM	2004 RM
Unquoted shares, at cost	<u>1,000</u>	<u>1,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31ST DECEMBER 2005

5. INVENTORIES

Group	2005 RM	2004 RM
At cost:		
Work in progress	1,040,202	485,577
Packing materials	3,568,711	3,162,778
Raw materials	4,513,163	2,979,386
Finished goods	4,024,921	2,787,107
	13,146,997	9,414,848

6. TRADE RECEIVABLES

Group	2005 RM	2004 RM
Trade receivables	20,034,989	17,151,051
Less: Allowance for doubtful debts	(1,946,989)	(934,974)
	18,088,000	16,216,077

7. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Other receivables	152,747	129,306	-	-
Deposits	917,527	1,997,134	1,000	-
Prepayments	436,896	5,638,685	22,500	510,618
Tax recoverable	967,617	947,032	-	-
	2,474,787	8,712,157	23,500	510,618

Included in prepayments of the Group and of the Company for the year ended 31st December, 2004 is an advance for special audit fees of RM19,500 being part of corporate exercise expenses.

8. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Fixed deposits with licensed banks	407,650	394,485	-	-
*Short term deposits with a licensed bank	4,510,000	280,000	450,000	-
Cash and bank balances	1,933,554	2,626,816	21,291	2
	6,851,204	3,301,301	471,291	2

The interest rates and maturity periods of fixed deposits as at 31st December, 2005 are as follows:-

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Interest rates	2% to 4%	3% to 4%	2.60%	-
Maturity periods	1 to 15 months	1 to 15 months	14 days	-

*Short term deposits are placed at interest rates of between 2.3% to 2.6% (2004 - 2.2%) per annum and maturity periods of between 4 days to 7 days (2004 - 3 days).

The fixed deposits and short term deposits of the Group have been pledged to licensed banks for banking facilities extended to certain subsidiary companies.

Fixed deposits of a subsidiary company amounting to RM99,380 (2004 - RM95,838) are held in the name of certain directors of the subsidiary company in trust on behalf of the subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31ST DECEMBER 2005

9. SHARE CAPITAL

Company	2005		2004	
	Number of ordinary shares of RM0.50 each	RM	Number of ordinary shares of RM0.50 each	RM
Authorised:				
Balance at 1st January	100,000,000	50,000,000	200,000	200,000
Subdivision during the year	-	-	200,000	-
Created during the year	-	-	99,600,000	49,800,000
Balance at 31st December	100,000,000	50,000,000	100,000,000	50,000,000
Issued and fully paid:				
Balance at 1st January	80,000,000	40,000,000	2	2
Subdivision during the year	-	-	2	-
Allotted during the year	-	-	79,999,996	39,999,998
Public issue	10,000,000	5,000,000	-	-
Balance at 31st December	90,000,000	45,000,000	80,000,000	40,000,000

10. RESERVES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Non-distributable:				
Share premium	374,537	-	374,537	-
Accumulated loss	-	-	-	(16,037)
Distributable:				
Retained profit	23,783,246	19,022,580	139,977	-
	24,157,783	19,022,580	514,514	(16,037)

11. HIRE-PURCHASE CREDITORS

Group	2005 RM	2004 RM
Minimum payments		
Not later than one year	210,576	655,197
Later than one year but not later than five years	102,967	680,780
	<u>313,543</u>	<u>1,335,977</u>
Less: Future hire-purchase charges	(16,114)	(87,126)
	<u>297,429</u>	<u>1,248,851</u>
Total payable	297,429	1,248,851
Less: Payable within one year	(188,449)	(604,794)
Payable after one year	<u>108,980</u>	<u>644,057</u>
Average term	<u>21/2 years</u>	<u>21/2 years</u>
Average borrowing rate ranges per annum	<u>3.15% - 4.72%</u>	<u>3.15% - 4.72%</u>

The interest rates are fixed at the inception of the hire-purchase arrangements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31ST DECEMBER 2005

12. TERM LOANS, BANK OVERDRAFTS AND OTHER CREDIT FACILITIES (SECURED)

Group	2005 RM	2004 RM
Secured:		
Term loan I at 2% per annum above the bank's base lending rate with monthly rest, repayable by 84 equal monthly instalments of RM686 each commencing 2nd February 2004	36,734	41,742
Term loan II at 2% per annum above the bank's base lending rate with monthly rest, repayable by 84 equal monthly instalments of RM686 each commencing 2nd February 2004	36,734	41,742
Term loan III at 1% per annum above the bank's base lending rate. In the previous financial year monthly instalments have not commenced as the term loan has not been fully drawdown. However, the loan was fully repaid during this financial year, utilising proceeds raised from the Public Issue	-	3,657,277
	73,468	3,740,761
Repayable as follows:-		
Within twelve months	16,459	16,459
Later than one year and not later than two years	16,459	16,459
Later than two years and not later than five years	40,550	49,377
Later than five years	-	1,189
	57,009	67,025
Term loan III	-	3,657,277
	73,468	3,740,761

The term loans, bank overdrafts and other credit facilities are secured as follows:-

- First party first legal charge for RM3.5 million over a freehold industrial factory identified as Lot 100, Rawang Integrated Industrial Park. Pending the issuance of an individual title to the property, the existing loan agreement cum assignment for RM3.5 million is to remain;
- First party first legal charge for RM10.0 million over a freehold industrial factory identified as Lot 5, Rawang Integrated Industrial Park. Pending the issuance of an individual title to the property, the existing loan agreement cum assignment for RM10.0 million is to remain;
- First party legal charge for RM1.75 million over a land together with all properties erected thereon held under Lot No. 41, H.S. (M) 6660, P.T. No 8435, Mukim of Batu, District of Gombak known as No. 41, Jalan E 1/4, Kawasan Perusahaan Taman Ehsan, 52100 Kepong, Selangor Darul Ehsan;
- First party legal charge for a freehold single-storey semi-detached house located at Golden Dragon Garden, 31900 Kampar, Perak;
- First party legal charge for RM44,000 over a freehold single storey terrace house located at PT 4324, Taman Diawan, 31900 Kampar, Perak;
- First party legal charge for RM44,000 over a freehold single storey terrace house located at PT 4325, Taman Diawan, 31900 Kampar, Perak;
- Against first and third party pledged of fixed deposits;
- Against fixed deposits belonging to certain directors of the subsidiary companies;
- A debenture created over certain subsidiary companies' fixed and floating assets; and
- Joint and several guarantee by the directors of the respective subsidiary companies.

Interest on overdrafts are charged at the rate of 1.0% per annum above the bank's base lending rate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31ST DECEMBER 2005

13. DEFERRED INCOME TAX LIABILITIES

Group	2005 RM	2004 RM
Balance at 1st January	2,619,000	2,392,000
Transferred from income statement (Note 18)	696,500	227,000
Balance at 31st December	3,315,500	2,619,000

The deferred income tax liabilities are principally in respect of the following temporary differences:-

Surplus of capital allowances over book depreciation of property, plant and equipment	3,315,500	2,619,000
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14. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Other payables	1,899,039	2,860,613	12,314	4,328
Accruals	1,394,116	1,081,715	47,000	8,000
	3,293,155	3,942,328	59,314	12,328

Included in other payables of the Group for the year ended 31st December, 2004 is an amount of RM179,891 due to a company in which one of its substantial shareholder is related to certain directors of the Company.

15. AMOUNT DUE TO DIRECTORS

Group

This represent unsecured advances and payments made on behalf of certain subsidiary companies which are unsecured, interest free and have no fixed terms of repayment.

16. ULTIMATE HOLDING COMPANY

The directors regard Leverage Success Sdn Bhd, incorporated in Malaysia, as the ultimate holding company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31ST DECEMBER 2005

17. PROFIT/ (LOSS) BEFORE TAXATION

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
a) Profit/ (Loss) before taxation is arrived at after charging/ (crediting):-				
Auditors' remuneration				
- current year	54,000	50,500	8,000	8,000
- (over)/ underprovision in prior years	(14,459)	5,500	-	-
Depreciation (Note 3)	5,738,153	4,905,963	-	-
Gain on disposal of property, plant and equipment	(35,402)	(440)	-	-
Realised loss/ (gain) on foreign exchange	78,109	(22,015)	-	-
Rental of premises	129,750	276,720	-	-
Allowance for doubtful debts	1,027,238	912,399	-	-
Bad debts written off	-	36,757	-	-
Interest income				
- fixed and short term deposit interest	(171,816)	(29,504)	(60,806)	-
Dividend income (tax exempt) from				
- a subsidiary	-	-	(4,000,000)	-
- unquoted investment	(150)	(230)	-	-
Loss on burglary	-	2,336	-	-
Labour costs:				
(Included in work performed by the Group and capitalised)				
Salaries, wages, bonus & allowances	7,517,157	6,287,622	-	-
EPF and Socso	488,459	453,913	-	-
Others	219,710	141,373	-	-
	8,225,326	6,882,908	-	-
Staff costs:				
Directors' remuneration				
- fees	156,000	50,000	156,000	-
- other than fees	2,220,240	1,926,240	23,500	-
Salaries, wages, bonus & allowances	2,145,655	1,886,763	-	-
EPF and Socso	609,007	524,540	-	-
Others	305,493	192,747	-	-
	5,436,395	4,580,290	179,500	-
Finance cost:				
Interest expense				
- LC charges	1,042	8,211	-	-
- bank overdrafts	8,671	33,628	-	-
- hire-purchase	43,823	67,259	-	-
- overdue interest	42	125	-	-
- term loan interest	209,809	48,719	-	-
	263,387	157,942	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31ST DECEMBER 2005

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
b) Directors' remuneration				
Directors' remuneration is analysed as follows:				
Directors of the Company				
Executive directors				
- fees	96,000	18,000	96,000	-
- salaries and other emoluments	1,078,340	939,840	12,000	-
Non-executive directors				
- fees	60,000	-	60,000	-
- other emoluments	11,500	-	11,500	-
Other directors (on board of subsidiary companies)				
Executive directors				
- fees	-	32,000	-	-
- salaries and other emoluments	1,130,400	986,400	-	-

Group

	2005		2004	
	Executive	Non-Executive	Executive	Non-Executive
The number of directors whose remuneration fell within the following ranges (per annum):-				
Directors of the Company				
RM1 – RM100,000	-	2	-	-
RM100,001 – RM200,000	-	-	1	-
RM200,001 – RM300,000	1	-	3	-
RM300,001 – RM400,000	3	-	-	-
Other directors (on board of subsidiary companies)				
RM1 – RM100,000	1	-	1	-
RM100,001 – RM200,000	3	-	3	-
RM200,001 – RM300,000	-	-	2	-
RM300,001 – RM400,000	2	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31ST DECEMBER 2005

18. TAXATION

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Current taxation:				
Estimate for the year	1,237,050	1,274,000	17,000	-
(Over)/ Under provision in prior years	(62,331)	35,973	-	-
	1,174,719	1,309,973	17,000	-
Deferred income tax liabilities:				
Transferred to deferred income tax liabilities (Note 13)	696,500	227,000	-	-
	1,871,219	1,536,973	17,000	-
Reconciliation of effective tax rate:-				
Profit/ (Loss) before taxation	10,231,885	9,090,696	3,773,014	(10,396)
Taxation using statutory tax rate of 28%	2,864,928	2,545,395	1,056,444	(2,911)
Reduction in statutory tax rate	(86,985)	(116,887)	-	-
Non-deductible expenses for tax purposes	1,786,536	1,404,768	80,282	-
Tax exempt income	-	-	(1,120,000)	-
Capital allowances utilised	(1,970,516)	(1,426,303)	-	-
Balancing charges	6,661	13,541	-	-
Reinvestment allowance utilised	(1,235,533)	(1,022,860)	-	-
Non taxable gain	(9,954)	(3,170)	-	-
Other items	(269)	31,965	274	2,911
Expenses eligible for double deduction	(117,818)	(152,449)	-	-
Transfer to deferred income tax liabilities	696,500	227,000	-	-
	1,933,550	1,501,000	17,000	-
(Over)/ Underprovision in prior years	(62,331)	35,973	-	-
	1,871,219	1,536,973	17,000	-

19. EARNINGS PER SHARE

The basic and diluted earnings per share is calculated by dividing the Group's profit for the year of RM8,360,666 (2004 - RM7,553,723) by the weighted average number of ordinary shares in issue during the financial year of 89,698,630 (2004 - 80,000,000) shares.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31ST DECEMBER 2005

20. SEGMENTAL REPORTING

The Group operates principally in the business of manufacturing and trading of processed and preserved foods and other related foodstuffs. Accordingly, information by segment on the Group's operations is not presented.

The Group operates predominantly in Malaysia and accordingly, information by geographical location on the Group's operations is also not presented.

21. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The operations of the Group are subject to a variety of financial risks, including credit risk, foreign currency exchange risk, interest rate risk, liquidity and cash flow risk and market risk. The Company has formulated guidelines and policies as well as internal controls which seek to minimise the Group's exposure to risks associated with the financing, investing and operating activities of the Group.

(a) Credit risk

The Group has a credit policy in place to evaluate customers requiring credit over a certain amount or period. Credit risk is further minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures.

(b) Foreign currency exchange risk

The Group is exposed to currency risk as a result of the Group's transactions with foreign vendors of plant and equipment and foreign trade receivables and payables. The Group monitors the movements in foreign currency exchange rates closely to ensure their exposure is minimised.

(c) Interest rate risk

The Group's exposure to interest rate risk arises from interest-bearing borrowings and the placement of excess funds in interest earning deposits of which the Management reviews and monitors the interest rates at regular intervals.

(d) Liquidity risk and cash flow risk

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash and cash equivalents to meet its working capital requirements and prudently balances its portfolio of short term and long term funding requirements.

(e) Market risk

The Group is principally involved in the manufacturing and trading of processed and preserved foods and fruits of all kinds and is therefore subject to certain risks inherent in the food-processing industry. These risks include, inter-alia the possible increase in the operating and capital costs due to increase in the cost of labour and raw materials, changes in consumer demands and changes in general economic conditions. The Group seeks to limit these risks through, inter-alia, expansion of both existing and new markets, developing and maintaining a diversified market network and continues upgrading of machinery to improve efficiency.

Fair values

In the opinion of the directors, the carrying values of financial assets and financial liabilities of the Group as at 31st December, 2005 are not materially different from their fair values.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31ST DECEMBER 2005

22. CONTINGENT LIABILITIES

Group	2005 RM	2004 RM
Capital expenditure retained in respect of purchase of property, plant and equipment due to unsatisfactory performance	<u>258,878</u>	<u>-</u>

23. CAPITAL COMMITMENTS

Group	2005 RM	2004 RM
Capital expenditure authorised and contracted for but not provided in the financial statements: - in respect of purchase of property, plant and equipment	<u>6,023,668</u>	<u>2,759,071</u>

24. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The Company was admitted to the official list of the Second Board of the Bursa Securities Berhad and official listing and quotation of its entire paid-up share capital comprising 90,000,000 ordinary shares of RM0.50 each, commenced on 18th January, 2005.

25. SUBSEQUENT BALANCE SHEET EVENTS

Subsequent to the balance sheet date, on 20th March, 2006, the Board of Directors have approved:-

- Proposed bonus issue of 30,000,000 new ordinary shares of RM0.50 each on the basis of 1 new ordinary share for every 3 existing ordinary shares held by capitalising RM15,000,000 from the Company's retained earnings;
- Proposed increase in authorised share capital from RM50,000,000 divided into 100,000,000 ordinary shares of RM0.50 each to RM100,000,000 divided into 200,000,000 ordinary shares of RM0.50 each; and
- Application for a proposed transfer of the listing of and quotation for the entire issued and paid-up share capital comprising 120,000,000 ordinary shares of RM0.50 each of the Company from the Second Board to the Main Board of the Bursa Malaysia Securities Berhad.

26. GENERAL INFORMATION

26.1 The Company is a public limited company, incorporated and domiciled in Malaysia, quoted on the Second Board of the Bursa Malaysia Securities Berhad.

26.2 The Company's principal place of business is Lot 100, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan.

26.3 The financial statements of the Group and of the Company were authorised for issue by the Board of directors in accordance with a resolution dated 20th March, 2006.

27. PRESENTATION CURRENCY

All amounts are stated in Ringgit Malaysia.

28. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.

DIRECTOR'S STATEMENT

COCOALAND HOLDINGS BERHAD (Incorporated in Malaysia)

We, the undersigned, being two directors of the Company, do hereby state that in the opinion of the directors, the financial statements set out on pages 28 to 54 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31st December, 2005 and of their results and cash flows for the year ended on that date.

Signed on behalf of the Board of directors in accordance with a resolution dated 20th March, 2006.

.....
LIEW FOOK MENG
Director

.....
LAU KEE VON
Director

KUALA LUMPUR

STATUTORY DECLARATION

I, **LIEW FOOK MENG** being the director responsible for the financial management of **COCOALAND HOLDINGS BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 28 to 54 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
)
by the abovenamed at Kuala Lumpur)
)
this 20th March, 2006)

Before me:-

K. MARIASOOSAY
Commissioner of Oaths
No. W344

LIST OF PROPERTIES

AS AT 31ST DECEMBER 2005

Owner Location	Description of Asset/ Existing Use/	Area	Tenure	Approx Age of Building	Net Book Value RM'000	Date of Valuation/ Acquisition
L.B. Food Sdn. Bhd. No. 41, Jalan E 1/4 Kawasan Perusahaan Taman Ehsan, 52100 Kepong, Selangor Darul Ehsan.	A double-storey warehouse with a 3-storey office annexe.	26,000 sq. ft.	Leasehold 99 year expiring on 09.07.2078	24	2,432	1.12.2003 / Year 1991
L.B. Food Sdn. Bhd. Lot 883, Off Jalan Degong Mambang Diawan, 31950 Kampar, Perak Darul Ridzuan	A detached industrial factory complex comprising a main factory building with an annexe, 2 other factory buildings and a host of other support buildings/ structures.	130,652 sq. ft.	Leasehold 60 years expiring on 15.04.2046	14 to 18	2,850	1.12.2003/ Year 1988
Cocoaland Industry Sdn. Bhd. Lot 100, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan	A block of single storey factory with a 2-storey office annexe, 3 blocks of single storey factory/ warehouses and a 2-storey canteen cum staff quarters.	190,634 sq. ft.	Freehold	9 to 12	9,739	1.12.2003/ Year 1993
Cocoaland Industry Sdn. Bhd. Lot 5, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan	A single storey factory/ warehouse with a 2-storey office annexe.	89,371 sq. ft.	Freehold	3	5,996	1.12.2003/ Year 2001
M.I.T.E. Food Enterprise Sdn. Bhd. No. 309, Golden Dragon Garden, 31900 Kampar, Perak Darul Ridzuan	A single storey semi- detached house.	4,230 sq. ft.	Freehold	24	135	1.12.2003/ Year 1982
B Plus Q Sdn. Bhd. No. 324, Taman Diawan, Mambang Diawan, 31950 Kampar, Perak Darul Ridzuan	A single storey terrace house	1,400 sq. ft.	Leasehold 99 years Expiring on 29.12.2081	3	53	Year 2003
B Plus Q Sdn. Bhd. No. 325, Taman Diawan, Mambang Diawan, 31950 Kampar, Perak Darul Ridzuan	A single storey terrace house	1,400 sq. ft.	Leasehold 99 years Expiring on 29.12.2081	3	53	Year 2003

Revaluation Policy

The Group does not adopt a policy of regular revaluation.

ANALYSIS OF SHAREHOLDINGS

AS AT 28TH FEBRUARY 2006

1. Share Capital

Authorised Share Capital	RM50,000,000.00
Issued and fully paid-up	RM45,000,000.00
Class of Shares	Ordinary Shares of RM0.50 each
Voting Rights	One vote per Ordinary Share held

2. Distribution Schedule Of Shares As At 28 February 2006

Size of Holdings	No. of Holders	Total Holdings	% of Holdings
1 – 99	3	107	0.00
100 – 1000	204	187,963	0.21
1,001 – 10,000	795	3,782,400	4.20
10,001 – 100,000	239	7,507,000	8.34
100,001 to less than 5% of issued capital	48	20,208,781	22.45
More than 5% of issued shares	2	58,313,749	64.79
Total	1,291	90,000,000	100.00

3. Thirty Largest Shareholders As At 28 February 2006

Name of Shareholders	No. of Shares	% of Shares
1. Leverage Success Sdn. Bhd.	48,963,728	54.40
2. Imbang Angsana Sdn. Bhd.	9,350,021	10.39
3. MIDF Sisma Nominees (Tempatan) Sdn. Bhd. [Pledged Securities Account for Liew Fook Meng (MGN-LFM0003M)]	3,103,700	3.45
4. HDM Nominees (Tempatan) Sdn. Bhd. [Pledged Securities Account for Liew Fook Meng(M12)]	1,635,500	1.82
5. Poon Lee Wah	1,454,400	1.62
6. Ho Sek Kee Sdn. Bhd.	850,713	0.95
7. Wong Yen Se	638,277	0.71
8. Kuala Lumpur City Nominees (Tempatan) Sdn. Bhd. [Pledged Securities Account for Goh Tian Chuan]	527,400	0.59
9. Soh Siew Sung	526,000	0.58
10. Mohamad Yunus Bin Mohamed Shariff	500,000	0.56
11. Lok Siew Dhan	478,458	0.53
12. Lau Pa Sin	465,533	0.52
13. Lau Yoke Kiew	459,871	0.51
14. Low Yoon Sun	434,871	0.48
15. Kok Chan Kheong	429,871	0.48
16. Affin Nominees (Tempatan) Sdn. Bhd. [Pledged Securities Account for Lee Lai Seong]	422,900	0.47
17. Lam Siow Kuin	418,500	0.47
18. Teo Kwee Hock	410,000	0.46
19. Chew Mun Kah	409,000	0.45
20. Lim Foong Yee (Jane)	400,000	0.44
21. Lo Keng Yip	400,000	0.44
22. Chuan Hooi Keat	395,000	0.44
23. JF Apex Nominees (Tempatan) Sdn. Bhd. [Pledged Securities Account for Teo Siew Lai(Margin)]	374,000	0.42
24. Choong Fook Onn	358,871	0.40
25. HDM Nominees (Tempatan) Sdn. Bhd. [Pledged Securities Account for Leong Siew Lan(M12)]	322,500	0.36
26. Chooi Kwai Thai	300,000	0.33
27. Eng Ah Thung @ Eng Bean Keng	300,000	0.33
28. Teh Hock Seng	300,000	0.33
29. Azman Bin Mahmood	295,000	0.33
30. Lee Guan @ Lee Swee Poot	284,000	0.32

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 28TH FEBRUARY 2006

4. Information On Substantial Shareholders As At 28 February 2006

Name of Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Leverage Success Sdn. Bhd.	48,963,728	54.40	0	0.00
Imbang Angsana Sdn. Bhd.	9,350,021	10.39	0	0.00
Liew Fook Meng	4,739,200	5.27	51,130,303	56.81 (a)
Lau Kwai Choon	280,000	0.31	55,589,503	61.77 (a)
Lau Pak Lam	349,500	0.39	55,520,003	61.69 (a)
Liew Yoon Kee	55,000	0.06	55,814,503	62.02 (a)
Lau Kim Chew	0	0.00	55,869,503	62.08 (a)
Lew Foo Chay @ Lau Foo Chay	0	0.00	55,869,503	62.08 (a)
Lau Kee Von	121,800	0.14	56,047,703	62.28 (b)
Lau Pa Sin	465,533	0.52	55,835,470	62.04 (c)
Lau Yoke Kiew	459,871	0.51	55,409,632	61.57 (d)
Low Yoon Sun	434,871	0.48	55,434,632	61.59 (d)
Chooi Kwai Thai	300,000	0.33	55,869,503	62.08 (e)
Azri Bin Ahmad	0	0.00	9,350,021	10.39 (f)
Soraya Binti Faisol	0	0.00	9,350,021	10.39 (f)

Notes:

- (a) Deemed interests by virtue of their substantial shareholdings in Leverage Success Sdn. Bhd and their siblings' direct shareholdings in the Company.
- (b) Deemed interests by virtue of his substantial shareholdings in Leverage Success Sdn. Bhd., his siblings' and his spouse, Mdm. Chooi Kwai Thai's direct shareholdings in the Company.
- (c) Deemed interests by virtue of his siblings' direct/indirect shareholdings in the Company and his spouse, Mdm. Lam Siow Kuin's direct shareholdings in the Company.
- (d) Deemed interests by virtue of their siblings' direct/indirect shareholdings in the Company.
- (e) Deemed interests by virtue of her spouse, Mr. Lau Kee Von who is deemed substantial shareholder of the Company.
- (f) Deemed interests by virtue of their substantial shareholdings in Imbang Angsana Sdn. Bhd.

5. Directors' Shareholdings As At 28 February 2006.

Name of Directors	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Dato' Azman Bin Mahmood	295,000	0.33	0	0.00
Liew Fook Meng	4,739,200	5.27	51,130,303	56.81 (a)
Lau Pak Lam	349,500	0.39	55,520,003	61.69 (a)
Liew Yoon Kee	55,000	0.06	55,814,503	62.02 (a)
Lau Kee Von	121,800	0.14	56,047,703	62.28 (b)
Chow Kee Kan @ Chow Tuck Kwan	0	0.00	0	0.00

Notes:

- (a) Deemed interests by virtue of their substantial shareholdings in Leverage Success Sdn. Bhd and their siblings' direct shareholdings in the Company.
- (b) Deemed interests by virtue of his substantial shareholdings in Leverage Success Sdn. Bhd., his siblings' and his spouse, Mdm. Chooi Kwai Thai's direct shareholdings in the Company.



COCOALAND HOLDINGS BERHAD

(Company No. 516019-H)

(Incorporated in Malaysia)

FORM OF PROXY

I/We _____

of _____

being a member / members of Cocoaland Holdings Berhad hereby appoint the Chairman of the Meeting*

or _____ (NRIC NO : _____)

of _____

or failing him/her, _____ (NRIC NO : _____)

of _____

*Delete the words "the Chairman of the Meeting" if you wish to appoint another person to be your proxy.

as my/our proxy to vote for me/us on my/our behalf at the 6th Annual General Meeting of the Company to be held at Function Room 1, Level 4, Dynasty Hotel, 218 Jalan Ipoh, 51200 Kuala Lumpur on Thursday, 27 April 2006 at 10:00 a.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

RESOLUTIONS	FOR	AGAINST
1. Receive the Audited Financial Statements for the financial year ended 31 December 2005 and the Reports of the Directors and Auditors thereon.		
2. Re-election of Dato' Azman bin Mahmood as Director		
3. Re-election of Liew Fook Meng as Director		
4. Approve payment of Directors' fee amounting to RM156,000 in respect of the financial year ended 31 December 2005.		
5. Re-appointment of Messrs. Wong Weng Foo & Co. as Auditors		
6. Proposed Authorisation to Issue Shares Pursuant to Section 132D of the Companies Act, 1965		

(Please indicate with an 'X' in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion).

Dated this _____ day of _____ 2006

Signature: _____

Number of
Shares held

NOTES:-

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a Member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- A member may appoint not more than two (2) proxies to attend the same meeting. Where a member appoints two proxies, the proxies shall not be valid unless the member specifies the proportion of his shareholding to be represented by each proxy. Where a member of the company is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, it may appoint at least one proxy in respect of each securities account.
- 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 its common seal or the hand of its officer or its duly authorised attorney.
- The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Suite 405, 4th Floor, Magnum Plaza, 128 Jalan Pudu, 55100 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof.
- Any alteration in this form must be initialed.

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Stamp

THE SECRETARY
COCOALAND HOLDINGS BERHAD
SUITE 405, 4TH FLOOR
MAGNUM PLAZA
128, JALAN PUDU
55100 KUALA LUMPUR

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