



MAMEE-DOUBLE DECKER (M) BERHAD (Co. No. 222363 - T)

Welcome to the World of Good Taste



annual report 2005



Recipe for Success

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The yearly gathering

Where those involved in the making of special treats come together.

NOTICE OF ANNUAL GENERAL MEETING

MAMEE-DOUBLE DECKER (M) BERHAD (INCORPORATED IN MALAYSIA - CO. NO. 222363-T)

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of MAMEE-DOUBLE DECKER (M) BERHAD (Co. No. 222363-T) will be held at Club Board Room, Club House, Sofitel Palm Resort, Jalan Persiaran Golf, off Jalan Jumbo, 81250 Senai, Johor on Tuesday, the 6th day of June, 2006 at 10:00 a.m.

AGENDA

- (Resolution 1) 1. To receive the Audited Financial Statements for the year ended 31 December 2005 together with the Reports of the Directors and Auditors thereon.
- (Resolution 2) 2. To re-appoint Datuk Pang Chin Hin, a Director over the age of 70, pursuant to Section 129(6) of the Companies Act, 1965.
- (Resolution 3) 3. To re-appoint Y.A.M. Tunku Osman Ahmad, a Director over the age of 70, pursuant to Section 129(6) of the Companies Act, 1965.
- (Resolution 4) 4. To re-elect Mr. Pang Tee Chew, a Director retiring in accordance with Article 76 of the Articles of Association of the Company.
- (Resolution 5) 5. To approve the payment of Directors' Fees for the financial year ended 31 December 2005.
- (Resolution 6) 6. To declare a Final Dividend of 10.0 sen gross per ordinary share less income tax at 28% in respect of the financial year ended 31 December 2005.
- (Resolution 7) 7. To re-appoint Messrs PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

8. ORDINARY RESOLUTION

AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

- (Resolution 8) "That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares so issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

9. ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

(Resolution 9)

"That, subject always to the Listing Requirements of the Bursa Malaysia Securities Berhad, the Company and/or its subsidiary shall be mandated to enter into the category of recurrent transactions of a revenue or trading nature with PT Pacific Food Indonesia as specified in Part A Section 2.2 of the Circular dated 15 May 2006 subject further to the following:-

- i) the recurrent related party transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public and are made on an arm's length basis and on normal commercial terms and are not detrimental to the shareholders;
- ii) disclosure is made in the annual report of the recurrent related party transactions conducted pursuant to the shareholders' mandate during the financial year in the manner required under the Listing Requirements of the Bursa Malaysia Securities Berhad;
- iii) that the shareholders' mandate shall continue in force until the date that the next Annual General Meeting of the Company is held unless revoked or varied by the Company in general meeting, or in any other manner provided for under the Listing Requirements of the Bursa Malaysia Securities Berhad; and
- iv) the Directors and/or any of them be and is hereby authorized to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorized by this Ordinary Resolution."

10. ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

(Resolution 10)

"That, subject always to the Listing Requirements of the Bursa Malaysia Securities Berhad, the Company and/or its subsidiary shall be mandated to enter into the category of recurrent transactions of a revenue or trading nature with Yang-Yang Co Ltd as specified in Part A Section 2.2 of the Circular dated 15 May 2006 subject further to the following:-

- i) the recurrent related party transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public and are made on an arm's length basis and on normal commercial terms and are not detrimental to the shareholders;
- ii) disclosure is made in the annual report of the recurrent related party transactions conducted pursuant to the shareholders' mandate during the financial year in the manner required under the Listing Requirements of the Bursa Malaysia Securities Berhad;
- iii) that the shareholders' mandate shall continue in force until the date that the next Annual General Meeting of the Company is held unless revoked or varied by the Company in general meeting, or in any other manner provided for under the Listing Requirements of the Bursa Malaysia Securities Berhad; and
- iv) the Directors and/or any of them be and is hereby authorized to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorized by this Ordinary Resolution."



11. ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

(Resolution 11)

"That, subject always to the Listing Requirements of the Bursa Malaysia Securities Berhad, the Company and/or its subsidiary shall be mandated to enter into the category of recurrent transactions of a revenue or trading nature with Myanmar Mamee-Double Decker Ltd as specified in Part A Section 2.2 of the Circular dated 15 May 2006 subject further to the following:-

- i) the recurrent related party transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public and are made on an arm's length basis and on normal commercial terms and are not detrimental to the shareholders;
- ii) disclosure is made in the annual report of the recurrent related party transactions conducted pursuant to the shareholders' mandate during the financial year in the manner required under the Listing Requirements of the Bursa Malaysia Securities Berhad;
- iii) that the shareholders' mandate shall continue in force until the date that the next Annual General Meeting of the Company is held unless revoked or varied by the Company in general meeting, or in any other manner provided for under the Listing Requirements of the Bursa Malaysia Securities Berhad; and
- iv) the Directors and/or any of them be and is hereby authorized to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorized by this Ordinary Resolution."

12. ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

(Resolution 12)

"That, subject always to the Listing Requirements of the Bursa Malaysia Securities Berhad, the Company and/or its subsidiary shall be mandated to enter into the category of recurrent transactions of a revenue or trading nature with Mamee-Double Decker Foods (Suzhou) Co Ltd as specified in Part A Section 2.2 of the Circular dated 15 May 2006 subject further to the following:-

- i) the recurrent related party transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public and are made on an arm's length basis and on normal commercial terms and are not detrimental to the shareholders;
- ii) disclosure is made in the annual report of the recurrent related party transactions conducted pursuant to the shareholders' mandate during the financial year in the manner required under the Listing Requirements of the Bursa Malaysia Securities Berhad;
- iii) that the shareholders' mandate shall continue in force until the date that the next Annual General Meeting of the Company is held unless revoked or varied by the Company in general meeting, or in any other manner provided for under the Listing Requirements of the Bursa Malaysia Securities Berhad; and
- iv) the Directors and/or any of them be and is hereby authorized to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorized by this Ordinary Resolution."

13. ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR PROPOSED SHARE BUY-BACK BY THE COMPANY

(Resolution 13)

"That, subject to the Companies Act, 1965 (as may be amended, modified or re-enacted from time to time), the Listing Requirements of the Bursa Malaysia Securities Berhad and the approvals of any relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of RM1.00 each in the Company ("Proposed Share Buy-Back") as may be determined by the Board from time to time on the Bursa Malaysia upon such terms and conditions as the Board may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed ten per centum (10.0%), which is equivalent to 6,235,460 ordinary shares of RM1.00 each, of the total issued and paid-up share capital of the Company amounting to 62,354,600 ordinary shares of RM1.00 each based on the Record of Depositors as at 19 April 2006 AND THAT an amount not exceeding the total retained profits of RM7,451,720 and share premium account of RM1,199,330 based on the latest audited accounts of the Company as at 31 December 2005 be allocated by the Company for the Proposed Share Buy-Back AND THAT the ordinary shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares and/or distributed as dividends and/or resold on the Bursa Malaysia AND THAT the Board be and is hereby empowered generally to do all such acts and things to give effect to the Proposed Share Buy-Back AND FURTHER THAT such authority shall commence immediately upon passing of this ordinary resolution until the conclusion of the first Annual General Meeting of the Company following the general meeting at which such resolution was passed, at which time it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either conditionally or subject to conditions; or at the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or revoked or varied by ordinary resolution passed by the shareholders in general meeting; whichever occurs first, but so as not to prejudice the completion of the purchase of its own shares by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of Listing Requirements of the Bursa Malaysia Securities Berhad or any other relevant authorities."

14. To transact any other matters for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

BY ORDER OF THE BOARD

Woo Min Fong
Tan Siew Hua
Company Secretaries

Johor Bahru
15 May 2006

NOTES:

1. A member 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.
2. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same Meeting.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
4. Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where the Proxy Form is executed by a corporation, it must be either under its Common Seal or under the hand of an officer or attorney duly authorised.
6. The Proxy Form must be deposited with the Company Secretary at the Registered Office, Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor Darul Takzim not less than 48 hours before the time set for the Meeting.

EXPLANATORY NOTES ON SPECIAL BUSINESS

RESOLUTION 8 - AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

The Ordinary Resolution No. 8 proposed in Agenda 8 above, if passed, will empower the Directors of the Company from the date of the above meeting until the next Annual General Meeting, unless earlier revoked or varied at a general meeting, to issue shares in the Company up to an aggregate number not exceeding 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company.

RESOLUTION 9, 10, 11 AND 12 - PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Ordinary Resolutions Nos. 9, 10, 11 and 12 proposed in Agenda 9, 10, 11 and 12 above, if passed, will renew the mandates for the Company and/or its subsidiaries to enter into the categories of recurrent transactions of a revenue or trading nature with those related parties as specified in Part A Section 2.2 of the Circular to Shareholders dated 15 May 2006, which is sent out together with the Company's Annual Report 2005. The mandates shall continue to be in force until the date of the next Annual General Meeting of the Company unless earlier revoked or varied by ordinary resolution of the Company in a general meeting and is subject to annual renewal.

RESOLUTION 13 - PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR PROPOSED SHARE BUY-BACK BY THE COMPANY

The Ordinary Resolution No. 13 proposed in Agenda 13 above, if passed, will renew the mandate for the Company to buy back its own shares. The mandate shall continue to be in force until the date of the next Annual General Meeting of the Company unless earlier revoked or varied by ordinary resolution of the Company in a general meeting and is subject to annual renewal. Further information on this resolution is set out in Part B of the Circular to Shareholders dated 15 May 2006, which is sent out together with the Company's Annual Report 2005.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that the Final Dividend of 10.0 sen gross per ordinary share less income tax at 28% in respect of the financial year ended 31 December 2005, if approved at the forthcoming 15th Annual General Meeting of the Company, will be paid on 26 June 2006 to members whose names appear in the Record of Depositors at the close of business on 7 June 2006.

A depositor shall qualify for entitlement to the dividend only in respect of:

- a. shares transferred into the depositor's securities account before 4:00 p.m. on 7 June 2006 in respect of transfers;
- b. shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad.



An official invite

Of discussions and how to make the best even better.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

• **NAMES OF DIRECTORS WHO ARE STANDING FOR RE-APPOINTMENT / RE-ELECTION:**

1. Datuk Pang Chin Hin (Executive Chairman)
2. Y.A.M. Tunku Osman Ahmad (Independent Non-Executive Vice-Chairman)
3. Mr. Pang Tee Chew (Managing Director)

• **DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2005:**

Name	No. of Board Meetings attended in the financial year
1. Datuk Pang Chin Hin	5 out of 5
2. Y.A.M. Tunku Osman Ahmad	3 out of 5
3. Mr. Pang Tee Chew	5 out of 5
4. Mr. Pang Tee Nam	5 out of 5
5. Mr. Pang Tee Suan (<i>Demised on 18 June 2005</i>)	-
6. Dato' Mohamed Nizam Bin Abdul Razak	4 out of 5
7. Dato' Dr. Shanmughalingam A/L Murugasu	5 out of 5

• **THE PLACE, DATE AND HOUR OF THE 15TH ANNUAL GENERAL MEETING:**

Date	Time	Place
6 June 2006 (Tuesday)	10 a.m.	Club Board Room, Club House, Sofitel Palm Resort, Jalan Persiaran Golf, off Jalan Jumbo, 81250 Senai, Johor.

• **SECURITIES HOLDINGS IN THE COMPANY AND ITS SUBSIDIARIES BY THE DIRECTORS STANDING FOR RE-APPOINTMENT AND RE-ELECTION.**

(Please refer to the Statement of Directors' Interests in the Company and related corporations on pages 89 to 90)

• **PROFILE OF DIRECTORS STANDING FOR RE-APPOINTMENT AND RE-ELECTION.**

(Please refer to the section on Directors' Profiles on pages 11 to 13)



Revealing secret ingredients

A fresh blend of spices, salt, pepper and many more...

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK PANG CHIN HIN

(Executive Chairman)

Y.A.M. TUNKU OSMAN AHMAD

(Independent Non-Executive Vice-Chairman)

MR. PANG TEE CHEW

(Managing Director)

MR. PANG TEE NAM

(Executive Director)

DATO' MOHAMED NIZAM BIN**ABDUL RAZAK**

(Independent Non-Executive Director)

DATO' DR. SHANMUGHALINGAM**A/L MURUGASU**

(Independent Non-Executive Director)

COMPANY SECRETARIES

WOO MIN FONG (ACIS)

TAN SIEW HUA (ACIS)

AUDITORS

PRICEWATERHOUSECOOPERS

REGISTERED OFFICE

Suite 1301, 13th Floor, City Plaza, Jalan Tebrau,
80300 Johor Bahru, Johor Darul Takzim.

PRINCIPAL BANKERS

OCBC BANK (MALAYSIA) BERHAD

HSBC BANK (MALAYSIA) BERHAD

MALAYAN BANKING BERHAD

SHARE REGISTRAR

CHUA, WOO & COMPANY SDN BHD (Co. No. 122754-U)

Suite 1301, 13th Floor, City Plaza, Jalan Tebrau,

80300 Johor Bahru, Johor Darul Takzim.

Tel: 607-3322088

Fax: 607-3328096

STOCK EXCHANGE LISTING

MAIN BOARD OF THE BURSA MALAYSIA

SECURITIES BERHAD

Behind the kitchen doors

Take a look at those who run the show.

PROFILE OF DIRECTORS

DATUK PANG CHIN HIN

Aged 75, a Malaysian, is the Executive Chairman of the Company. He was appointed to the Board on 3 August 1991. He is also a member of the Option Committee. Under his stewardship over the past 34 years, the Group has grown from a small family concern into one of the largest local instant noodles and snack food manufacturers in Malaysia. In addition to possessing an intimate knowledge of production and machinery, he has extensive connections with both local and overseas machinery suppliers. He also holds directorship in several private limited companies.

He is the father of Pang Tee Chew and Pang Tee Nam, both of whom are Executive Directors and substantial shareholders of the Company. He is also the father of the late Mr. Pang Tee Suan, a substantial shareholder of the Company. He is deemed interested in recurrent related party transactions, of which a Shareholders' Mandate has been obtained in the AGM held 18 May 2005. Details pertaining to these transactions are disclosed on Note 27 of the Notes to the Financial Statements. He has no convictions for any offence within the past 10 years.

Y.A.M. TUNKU OSMAN AHMAD

Aged 73, a Malaysian, is an Independent Non-Executive Vice-Chairman of the Company. He was appointed to the Board on 4 September 1991. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee.

After obtaining a Diploma in Agricultural Engineering, Tunku served with the Johor Civil Service for 16 years from 1957 to 1973 in various capacities including that of State Treasurer. He then ventured into the private sector with wide ranging business interests including logging & sawmilling, palm oil refining, property development, plantations, manufacturing and banking. His business acumen is honed by over 30 years of experience in various capacities both in the public and private sectors.

He currently sits on the Boards of Pelangi Berhad Group, Keck Seng (Malaysia) Berhad Group, Alpha Industries Berhad, CHG Industries Berhad and Binaik Equity Bhd. He is also currently the President of the Johor Wood Industries Association, the Malaysian Wood Industries Association and the Chairman of Malaysian Timber Council. He was the past President of various major real estate associations in Malaysia and the Asian region, amongst which are F.I.A.B.C.I. Malaysia Chapter, an International Estate Federation with its Headquarters in Paris, M.O.H.S (Malaysian Organisation For Human Settlements) and A.A.P.H. (Asean Association For Planning And Housing), REHDA (Real Estate And Housing Developers' Association of Malaysia) and also the Patron of REHDA, Johor Branch.

He does not have any family relationship with any Director and/or substantial shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has no convictions for any offence within the past 10 years.

PANG TEE CHEW

Aged 53, a Malaysian, is the Managing Director of the Company and Chief Executive Officer of the Group. He was appointed to the Board on 3 August 1991. He is also a member of the Audit Committee, Remuneration Committee and the Option Committee. He has been with the Group since 1981 and is currently in charge of the corporate affairs of the Group. Being a member of the British Institute of Management, Mr. TC Pang was previously trained in Japan on food processing in the area of canning and packaging and has attended the Advanced Management Program at Harvard University, USA. With over twenty-seven (27) years of experience in the food industries, he has acquired a wide knowledge of both the local and overseas food markets. He also sits on the board of several private limited companies.

He is a son of Datuk Pang Chin Hin and brother to Pang Tee Nam, both of whom are Executive Directors and substantial shareholders of the Company. He is also brother to the late Pang Tee Suan, a substantial shareholder of the Company. He is deemed interested in recurrent related party transactions, of which a Shareholders' Mandate has been obtained in the AGM held on 18 May 2005. Details pertaining to these transactions are disclosed on Note 27 of the Notes to the Financial Statements. He has no convictions for any offence within the past 10 years.

PANG TEE NAM

Aged 52, a Malaysian, is an Executive Director of the Company. He was appointed to the Board on 16 August 1995. He is also a member of the Audit Committee and the Chairman of the Option Committee. He is currently in charge of the Group's supply and logistics. He holds a Diploma in Business Studies from Warnambool Institute of Advanced Education, Australia. He is a member of the Malaysian Institute of Accountants (MIA) and Australian Society of Certified Practicing Accountants. He has over twenty-two (22) years of experience in the food business having joined the Group in January 1983.

He is a son of Datuk Pang Chin Hin and brother to Pang Tee Chew and both of whom are also Executive Directors and substantial shareholders of the Company. He is also brother to the late Pang Tee Suan, a substantial shareholder of the Company. He is deemed interested in recurrent related party transactions, of which a Shareholders' Mandate has been obtained in the AGM held on 18 May 2005. Details pertaining to these transactions are disclosed on Note 27 of the Notes to the Financial Statements. He has no convictions for any offence within the past 10 years.

DATO' MOHAMED NIZAM BIN ABDUL RAZAK

Aged 47, a Malaysian, is an Independent Non-Executive Director of the Company. He was appointed to the Board on 4 September 1991. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee. He graduated in Politics, Philosophy and Economics from Oxford University, United Kingdom in 1980. He began his career in 1981 when he joined the Corporate Finance Department in Bumiputra Merchants Bankers Berhad. In 1984, he joined GP Securities (now known as PB Securities Sdn Bhd) as General Manager and became the Chief Executive Officer in 1992, a position he held until his retirement in 1998. He currently sits on the Boards of Delloyd Ventures Bhd, Yeo Hiap Seng (Malaysia) Berhad, Wah Seong Corporation Berhad Group, Hiap Teck Venture Berhad, Synergy Track Berhad, Kamdar Group (M) Berhad, Deutsche Bank (Malaysia) Bhd and several private limited companies. He is also a Trustee of several charitable foundations such as Noah Foundation, Hong Leong Foundation and the National Children Welfare Foundation, Yayasan Rahah and Yayasan Wah Seong.

He does not have any family relationship with any Director and/or substantial shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has no convictions for any offence within the past 10 years.





DATO' DR. SHANMUGHALINGAM A/L MURUGASU

Aged 66, a Malaysian, is an Independent Non-Executive Director of the Company. He was appointed to the Board on 17 June 2003. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee. Dato' Dr. M. SHAN obtained a Bachelor of Arts (Honours) degree in Economics from University of Malaya in 1962, Masters degree in Economics and Government from Harvard University, USA in 1971, Doctorate of Philosophy in Economics and Government from Oxford University, UK in 1978 and is a Fellow, Economic Development Institute, World Bank.

He served in the Treasury, Ministry of Finance from 1962 to 1978, his last post being Deputy Secretary (Economic) and in PETRONAS from 1979 to 1991, his last post being General Manager. He was Managing Director of Sri Inderajaya Sdn Bhd from 1992 to April 1996. Since May 1996, he is Managing Director of Trilogic Sdn Bhd and sits on the advisory panels to the Malaysian Institute of Economic Research (MIER) and Asian Strategy and Leadership Institute (ASLI). He also sits on the Boards of Main Board public listed companies, Delloyd Ventures Bhd, PBA Holdings Bhd and several unlisted companies, including Trilogic Sdn Bhd, Commerce International Merchant Bankers (L) Ltd, CIMB Discount House Bhd and CIMB Securities Sdn Bhd.

Dato' Dr. M. SHAN represented Malaysia at international conferences of the ADB (Asian Development Bank), the Commonwealth, IMF (the International Monetary Fund), OPEC (the Organisation of Petroleum Exporting Countries), the United Nations and the World Bank. He was the Chairman and lead speaker at several sittings of PECC (Pacific Economic Co-operation Conference). On invitation by Kennedy School of Government, Harvard University and the Harvard Institute for International Development, USA, he helped in the design of a new Executive Programme for Leaders in Development: Managing Economic and Political Reform for Harvard University. He does not have any family relationship with any director and/or substantial shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has no convictions for any offence within the past 10 years.

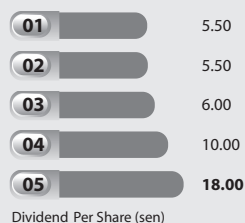
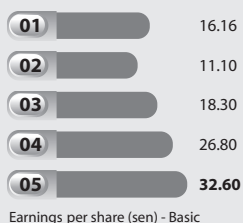
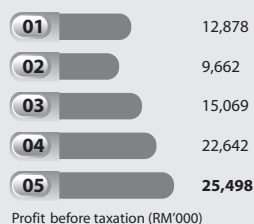
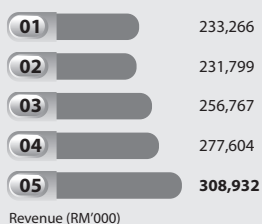
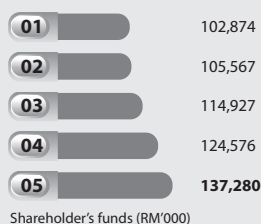




Half a decade of strong bread & butter
Have a view of the company's ever-improving revenue.

5 YEARS' FINANCIAL HIGHLIGHTS

MAMEE-DOUBLE DECKER (M) BERHAD	2001	2002	2003	2004	2005
	RM'000	RM'000	RM'000	RM'000	RM'000
Shareholders' Funds	102,874	105,567	114,927	124,576	137,280
Revenue	233,266	231,799	256,767	277,604	308,932
Profit before taxation	12,878	9,622	15,069	22,642	25,498
Profit after taxation & minority interest	9,854	6,813	11,305	16,238	19,466
Earnings per share (sen) - Basic	16.16	11.10	18.30	26.80	32.60
Dividend per share (sen)	5.50	5.50	6.00	10.00	18.00





A note from the Master Chef

Datuk Pang Chin Hin shares with you everything about preparing the best dish ever.

CHAIRMAN'S STATEMENT

MISSION, VISION, STRATEGY

CORPORATE VISION

Mamee-Double Decker is to be recognised as the provider of nutritious and tasty food products that everyone loves, every day, the world over.

MISSION

Mamee-Double Decker is committed to build long-term growth in volume and profit and to enhance its leadership position.

STRATEGY

To be the number one or two brand in every market segment in which we operate by providing nutritious food products of superior value and taste and offer a trendy, innovative, yet sensational eating experience with emphasis on very high quality products.

We will accomplish this through strong management and employee commitment in order to satisfy our ever-changing consumer needs and expectations.





DEAR FELLOW SHAREHOLDERS,

2005 has been a challenging year for the Mamee-Double Decker Group. With tough market conditions, spiralling oil prices, escalating commodity prices, intense competition from local and international brands, within and outside every category that the Group does business in, coupled with ever-changing consumer trends, 2005 was the year the company needed to raise the standards of excellence even higher, in order to remain a highly successful leader and a force to be reckoned with, both in the local market and in the global arena.

So in 2005, we focused on transforming Mamee-Double Decker into a stronger and more defined company, built on a solid brand building foundation to not only give impetus for all the Mamee-Double Decker brands to grow and flourish, but to also improve prospects in the creation of shareholder value. With that, we are glad to inform you that the Group has once again been successful – achieving double-digit growth in sales revenue and profits for this financial year.

FINANCIAL PERFORMANCE

As a result of stronger synergies, improved efficiencies, new and improved products, consistent and focused marketing as well as brand-building efforts, the Group's turnover was registered at RM308.9 million – an 11.3% increase from the RM277.6million registered in the previous year.

Profit before taxation recorded a growth of 12.8% from RM22.6million to RM25.5million for the year. The strong profitability improvement was also apparent when reviewing the net profit after tax, which amounted to RM19.5 million, 20.3% higher than the previous financial year. Basic earnings per share was 32.6sen, an increase of 21.6% from the previous year's 26.8sen.

We are indeed pleased with the improved sales and profitability performance as it is reflective of the commitment and direction of the Group, which has achieved sustained growth despite difficult market conditions, increasing competition and commodity prices. Such a remarkable growth in our performance is a strong validation of the Group's business acumen in the successful targeting of local and international markets, as well as its progressiveness in a continued and cohesive brand-building platform in 2005.

The Group is also financially sound. We actively search and evaluate investment opportunities via business tie-ups, joint ventures and acquisition of related industries to further develop our business and generate better returns.



OPERATION REVIEW

We are embarking on an ambitious change in leadership and management style and reshaping our organization in competitive fields in order to implement effective corporate strategies and general management process.

During the financial year, we conducted business reviews and workshops for all our staff to encourage and empower them in adopting the Company's core vision and values. These played an important role in instilling and putting into practice the Company's one philosophy, one culture and one direction, in which all staff operate as a team, moving in the same direction towards realizing the Company's vision.

In our efforts to reinforce our position in the market and increase market share, we intensified our marketing and promotional activities to target the new generation of highly mobile young customers and launched several brand initiatives to improve our overall brand profile. Various distribution channels have been further developed to reach wider markets.

We compete in excitingly volatile and extremely attractive categories. In many cases, especially where the categories are growing, growth movements are often stimulated by our innovations and product differentiations. In mature markets, we encouraged growth by embarking on marketing strategies that not only set our brands apart, but also add excitement to stir the category as well as the consumers.

One example is the launch of Mamee Sllrrrp! Instant Noodles that became an instant success. It's a story that started with a challenge – to energize the instant noodles segment. With a growth rate at a mere 5% per annum, the instant noodles segment is deemed 'matured'; with growth performance showing a plateau for many years. Mamee took a bold step – to not only launch a new brand of instant noodles called 'Mamee Sllrrrp!' but also to back this brand with substantial investments in R&D, marketing and communication efforts. Mamee Sllrrrp! was targeted at the youth of today who are constantly looking for convenience, instant satisfaction and fulfilment. Mamee Sllrrrp! also created a sensation by being one of the first instant noodles brands to use Brand Ambassadors – not only on its packaging but as role models to communicate brand values and build brand impingement within the young consumers' lives.

We attribute our success to the company's diligent execution of the MDD formula; the "7Ps" – i.e. Product, Packaging, Price, Promotion, Place, Profit and People. We are confident that by using the same marketing mix, we will be able to build more brands of higher calibre.

In this ever-changing and evolving market, we believe that synergies created through streamlining resources and processes as well as putting in place effective tools and systems will unlock cost efficiencies and contribute to a solid competitive edge, to ensure that we achieve our leadership position in the market. Therefore, the Company has, together with its information technology partner, embarked on a Personal Data Assistant or the "PDA" system that will enhance sales operation and administrative efficiencies as well as providing better market insights. In addition, this PDA system will also serve as a Customer Relation Management tool to strengthen our distribution network by providing effective and efficient services to our customers. By leveraging technology to automate sales operation and administration, we are confident of achieving greater heights in the coming years.

OVERSEAS' OPERATION REVIEW

CHINA

The Group's venture in China continues to show losses during the year under the intense competitive market environment and unfavourable trading terms imposed by supermarket chains. We expect the performance in China to deteriorate further in the year 2006 as a result of our aggressive action to terminate under-performing supermarkets and wholesalers, and substantial amount to be spent in a re-branding exercise. This approach, reinforced with restructuring exercises, is needed for the benefit of future growth and profitability.

MYANMAR

The operations had an increase in turnover of 15.5% amounting to RM12.2million as compared with the previous year's RM10.6million but registered a marginal loss of RM351,574. The fluctuation in exchange rates has resulted in exchange loss being posted amounting to RM263,424. Nevertheless, we continue to invest heavily in building the brand and increasing our market share to ensure long-term benefits and success. We are still optimistic about our investment in Myanmar despite an economic slowdown, due to the fact that per capita consumption of instant noodles is very low.



OUR GROWTH OUTLOOK

Over the next three-to-five-year period, we believe that we are well positioned to deliver double-digit growth in sales revenue and operating profit, hence remarkable returns to our shareholders with attractive dividend yield. To achieve this, we are embarking on ambitious changes that include building a solid foundation of strong management teams and have brands with leading market shares in numerous categories from dry food and snacks to cold channels of beverages and dairies.

We target to compete in various categories that are stimulated by our niche and innovative products and increased market share by market savvy and aggressive promotion activities.

Our management team is another strength where we focus strongly in nurturing both new blood and veteran expertise. We brought in new leadership and management styles with fresh perspective and new ways to bring the brands within our stable closer to its consumers. We continue to constantly remind all members of staff of the defined Mamee-Double Decker corporate core values – Integrity, Intensity, Innovation and Involvement. Over the years, we have made substantial investment in our people for their personal and career development, and shall continue to do so as we move forward.

Notwithstanding the effects of the global economic pendulum, we are confident that the Malaysian economy will continue to grow at a positive rate in 2006. The positive outlook is based on strong growth in domestic demand, derived largely from increased private sector spending and the country's strong fundamentals.

PRODUCT INNOVATION AND DIFFERENTIATION ARE OUR COMPETITIVE ADVANTAGE

In every market around the globe, Mamee-Double Decker maintains a consistent brand positioning – “Enriching lives through innovative brands” that, together with the continued innovative R&D efforts, will give the company a competitive edge. In the global arena where consumer trends are fast changing to adopt a healthier lifestyle, Mamee-Double Decker’s “enriching lives” corporate positioning will help to uplift the brand image beyond being just another instant noodles and snack manufacturer.

Through its stable of brands, the company will continue to enrich its consumers’ lives, not only by providing the convenience and fulfilment of high quality products to suit the changing tastes of the new generation of consumers, but also by providing support that will help in the development of the society.

Starting with Mamee Slrrrrp! through its three Brand Ambassadors representing the achievement of success, the company will help instil in today’s young people, the values of integrity, discipline and responsibility, and at the same time, bridge the emotive gap between its consumers and the brand.

With this kind of differentiating factors built into all its brands, Mamee-Double Decker will continue to create lifestyle identities for all its brands and at the same time ensure that they will continue to grow and remain alive for the next generation of consumers.

DIVIDEND

In recognizing the continuous support from our valued shareholders, the Board is recommending a final dividend of 10 sen per share less 28% income tax. The final dividend is subject to the approval of shareholders and will be payable on 26 June 2006. This will bring the total dividends for the financial year to 18 sen gross per ordinary share compared to 10 sen gross per ordinary share for the previous year.

ACKNOWLEDGEMENTS

I wish to conclude by thanking the board of directors who has played an invaluable role in supporting and guiding our management through this challenging and exciting year.

Thanks to you, our shareholders, for showing the patience and great vision to see what Mamee-Double Decker Bhd. will be in the future.

Finally and most importantly, I would like to offer my most sincere gratitude to all MDD employees for their individual accomplishments and contributions. Their talents and commitment have given us the confidence to provide superior returns to shareholders in the years ahead.

DATUK PANG CHIN HIN
Executive Chairman
24 April 2006



Carrying out internal control

The best has to start from inside, long before it reaches out to the world.

CORPORATE GOVERNANCE STATEMENT

Mamee-Double Decker (M) Berhad is committed to high standards of corporate governance in performing its business. The Board of Directors is therefore pleased to report that the Company has complied with the major principles set out in Part 1 of the Malaysian Code of Corporate Governance, and this statement, together with the Audit Committee Report on pages 25 to 28 explains how the Company has applied the best practices set out in Part 2 of the Code.

1. THE BOARD OF DIRECTORS

1.1 COMPOSITION

The Board comprises of three (3) Non-Executive Directors and three (3) Executive Directors. All of the Non-Executive Directors are independent. The Directors with their different backgrounds and areas of specialisation collectively bring with them a mix of industry-specific knowledge and broad business and commercial experiences. There is a clear division of responsibilities between the Chairman and the Managing Director to ensure a balance of power and authority. An Independent Director Tunku Osman Ahmad has been identified as the one to whom concerns may be conveyed. Personal profiles of the Directors are set out on pages 11 to 13.

1.2 APPOINTMENTS AND RE-ELECTIONS TO THE BOARD

The identification and appointment of new Directors undergo a process led by the Nomination Committee. Thereafter upon approval by the Board, the Company provides an induction programme for the new Directors to allow them to better understand the business and ultimately to enable them to contribute effectively at Board meetings. In accordance to the Bursa Malaysia Securities Berhad Listing Requirements and the Articles of Association of the Company, all Directors seek re-election at least once every three years. Director(s) over seventy years of age are required to submit themselves for reappointment annually in accordance with Section 129(6) of the Companies Act, 1965.

1.3 BOARD PROCEDURES

The Board normally meets 4 times a year and has met 5 times during this financial year. Details of the attendance of the Directors at the Board meetings are disclosed in the Statement Accompanying Notice of Annual General Meeting set out on page 9. Notices, agendas and board papers of each meeting are issued in a timely manner prior to Board meetings. There is a list of matters, which are reserved specifically for the Board's consideration and these include strategic plans and budgets for the Group and business development issues. Material acquisitions and disposal of assets and potential investments by the Group are also considered extensively at Board level. In furtherance of the Board's responsibilities, the Board has access to the independent advice and services of professionals such as lawyers, external auditors and company secretary at the Company's expense.

1.4 ROLE OF BOARD COMMITTEES

The Company has formed several committees, each of which have defined terms and reference, for reporting and recommendation to the Board. These committees are:-

- Audit Committee;
- Nomination Committee;
- Remuneration Committee;
- Option Committee

A) AUDIT COMMITTEE

Members: Y.A.M. Tunku Osman Ahmad (Chairman)
Dato' Mohamed Nizam Bin Abdul Razak
Dato' Dr. Shanmughalingam A/L Murugasu
Mr. Pang Tee Chew
Mr. Pang Tee Nam

The Audit Committee ('AC') was formed on 14 October 1993. Current composition of AC is made up of three (3) Independent Directors and two (2) Executive Directors. It is primarily responsible for the review of reporting financial information to shareholders, systems of internal control and risk management, the audit process and the related party transactions. The report of the Audit Committee is set out on pages 25 to 28 of this annual report.

B) NOMINATION COMMITTEE

Members: Y.A.M. Tunku Osman Ahmad (Chairman)
Dato' Mohamed Nizam Bin Abdul Razak
Dato' Dr. Shanmughalingam A/L Murugasu

The Nomination Committee ('NC'), set up on 17 May 2001, comprised mainly of Independent Non-Executive Directors. It is responsible for the assessment and recommendation of new Directors to the Board, and for the annual review of the required mix of skills and experience, and other qualities to enable the Board to function completely and efficiently. Assessment and appraisal processes have also been implemented, for the evaluation of the effectiveness of the Board as a whole, the committees and the individual contribution of each Board member.

C) REMUNERATION COMMITTEE

Members: Y.A.M. Tunku Osman Ahmad (Chairman)
Dato' Mohamed Nizam Bin Abdul Razak
Dato' Dr. Shanmughalingam A/L Murugasu
Mr. Pang Tee Chew

The Remuneration Committee ('RC'), formed on 17 May 2001, whose membership currently comprises three Independent Non-Executive Directors and one Executive Director is responsible for making recommendations to the Board on the remuneration of Executive Directors based on an acceptable framework. The Remuneration Committee shall meet at least once a year.

D) OPTION COMMITTEE

The Option Committee was established to administer the Company's Employees' Share Option Scheme in accordance with the objectives and regulations thereof and to determine participation eligibility, option offers and share allocations and to attend to such other matters as may be required. Meetings of the Committee are held when necessary. The Chairman of the Committee is Pang Tee Nam and members are Datuk Pang Chin Hin, Pang Tee Chew, Goh Wee Lim, Tan Chai Lin, Caryn Chong Kwai Hoong and Tan Chin Ann.



2. DIRECTORS' REMUNERATION

The Company recognises the need to ensure that remuneration of Directors are reflective towards the responsibility and commitment that goes with the Board membership. In line with this, the Company has adopted the following remuneration structure that attempts to retain and attract the right Directors needed to run the Company successfully:-

- The Remuneration Committee recommends to the Board on the remuneration of Executive Directors; and
- The Board as a whole determines the remuneration of the Non-Executive Directors.

Contrary to the disclosure requirement as indicated in the best practices of the Malaysian Code of Corporate Governance, the Board would not be providing details of remuneration awarded to each director. However, in compliance with the Bursa Malaysia Securities Berhad listing requirements, the remuneration paid to directors, in aggregation and analysed into bands of RM50,000 are as follows:-

	Executive Directors	Non-Executive Directors
	RM	RM
Salaries & Other Remuneration	2,330,426	-
Allowances	229,372	60,000
Fees	136,500	100,000
Benefits-in-kind	82,962	-
Successive Band	-	-
<RM50,001	-	3
RM50,001 - RM100,000	-	-
RM100,001 - RM300,000	-	-
RM300,001 - RM400,000	1	-
RM400,001 - RM500,000	-	-
RM500,001 - RM600,000	-	-
RM600,001 - RM700,000	-	-
RM700,001 - RM800,000	2	-
RM800,001 - RM850,000	1	-

3. SHAREHOLDER RELATIONS

The Company maintains a regular policy of disseminating information that is material for shareholders' attention. In line with the regulatory requirements, various announcements, including quarterly financial reports were made during the year via the Bursa Malaysia Securities Berhad website. Developments in the Company's website at www.mamee.com have also allowed the Company to make a great deal of information and presentation accessible to shareholders and customers at all times. At the Annual General Meeting, the Directors welcome the opportunity to gather the views of shareholders. Notices of each meeting are issued on a timely manner to all, and in the case of special businesses, a statement explaining the effect of the proposed resolutions is provided.

4. DIRECTORS' TRAINING

The Board views continuous learning and training as an integral part of the directors' development. All Board members have completed the Mandatory Accreditation Programme (MAP) and Continuing Education Programme (CEP) in accordance with the Listing Requirements.

In addition, members of the Board are informed of various development programmes and encouraged to attend these programmes to keep abreast with the development in the industry and relevant regulatory updates in furtherance of their duties.

5. ACCOUNTABILITY AND AUDIT

In an attempt to produce a balanced and understandable assessment of the Company's position and prospects, particularly in the financial reports, the Directors have implemented a quality control procedure to ensure that all financial reports have been prepared based on acceptable accounting standards and policies. These financial reports also undergo a review process by the Audit Committee prior to approval by the Board.

The Board understands that in order to strengthen the accountability aspect of financial reporting, the Company needs to maintain a sound system of internal control to safeguard shareholders' investment and the Company's assets. Hence the Company has developed a comprehensive system of internal control comprising of clear structures and accountabilities, well-understood policies and procedures and budgeting and review process.

The effectiveness of the system of internal control is then scrutinised by internal auditors, who operate independently from the activities of the Company, under the purview of the Audit Committee.

The Board also maintains an appropriate relationship with the Company's external auditors, through formal and transparent arrangement with the Audit Committee. These arrangements are stated on pages 27 to 28 of the Audit Committee report.

This Corporate Governance Statement is made in accordance with the resolution of the Board of Directors dated 24 April 2006.

What's on the chef's plate

It takes more than just creating the perfect blend of ingredients to give you the best.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Companies Act 1965 requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the Group and the Company at the end of the financial year, and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements, the Directors are also responsible for the adoption of suitable accounting policies and their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements.

The Directors hereby confirm that suitable accounting policies have been consistently applied in respect of preparation of the financial statements. The Directors also confirm that the Company maintains adequate accounting records and sufficient internal controls to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities. These are described more fully in the Corporate Governance Statement.

This Directors' Responsibility Statement is made in accordance with the resolution of the Board of Directors dated 24 April 2006.

Tales from the account team

A real account of the company from a different point of view.

AUDIT COMMITTEE REPORT

The Audit Committee of Mamee-Double Decker (M) Berhad is pleased to present its report for the year ended 31 December 2005. The Board has approved this report by a resolution dated 24 April 2006 for submission to shareholders.

COMPOSITION

The Committee comprises three (3) Independent Non-Executive Directors and two (2) Executive Directors, and during the financial year ended 31 Dec 2005, the Committee held meetings on 28 Feb 2005, 4 Apr 2005, 18 May 2005, 22 Aug 2005 and 21 Nov 2005 respectively, a total of five (5) meetings. Details of the members of the Committee and their attendance at the meetings are as follows:

Name	Designation in Audit Committee	Number of Meetings Attended
Y.A.M. Tunku Osman Ahmad (Independent Non-Executive Vice Chairman)	Chairman	4 out of 5
Dato' Mohamed Nizam bin Abdul Razak (Independent Non-Executive Director)	Member	4 out of 5
Dato' Dr. Shanmughalingam A/L Murugasu (Independent Non-Executive Director)	Member	5 out of 5
Pang Tee Chew (Managing Director)	Member	5 out of 5
Pang Tee Nam (Executive Director)	Member	5 out of 5

TERMS OF REFERENCE

MEMBERSHIP

The Committee shall be appointed by the Board from among their members and shall consist of not less than three (3) members, the majority of whom shall be Independent Directors.

At least one of the members of the Committee must be a member of the Malaysian Institute of Accountants (MIA) or has at least 3 years' working experience and has either passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967 or is a member of one of the associations of accountants specified in Part 2 of the 1st Schedule of the said Act.

No alternate director shall be appointed as a member of the Committee.

The members of the Committee shall elect a Chairman from among their members who shall be an Independent Director.

The term of office and performance of each member shall be reviewed at least once every three years by the Board.

PURPOSE OF THE COMMITTEE

The purposes of the Committee are as follows:

1. To provide assistance to the Board in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices for the Company.
2. To maintain, through regularly scheduled meetings, a direct line of communication between the Board and the external auditors as well as the internal auditors.
3. To avail to the external and internal auditors a private and confidential audience at any time they desire and to request such audience through the Chairman of the Committee, with or without the prior knowledge of Management.
4. To act upon the Board's request to investigate and report on any issue of concern with regard to the management of the Company.

SECRETARY

The Secretary of the Committee shall be the Company Secretary.

FREQUENCY AND ATTENDANCE OF COMMITTEE MEETINGS

Meetings shall be held not less than 4 times a year as and when required during each financial year. The external auditors may request a meeting if they deem necessary.

The Finance Director, the Financial Controller, Chief of Finance Department/Accounts Department/Internal Audit, and a representative of the external auditors shall normally attend meetings. Other Board members may attend meetings upon invitation of the Committee. However, at least once a year the Committee shall meet with the external auditors without any executive board member present. The quorum for meetings shall be 2 members and the majority of members present must be Independent Directors.

In the absence of the Chairman of the Committee, members present shall elect a Chairman for the meeting from amongst the Independent Directors.

TELECONFERENCING

1. A committee member shall be deemed to be present at a meeting of the Committee if he participates by instantaneous telecommunication device and all members of the Committee participating in the meeting of the Committee are able to hear each other and recognize each other's voice, and for this purpose, participation constitutes prima facie proof of recognition. For the purpose of recording attendance, the Chairman or Secretary of the Committee shall mark on the attendance sheet that the committee member was present and participating by instantaneous telecommunication device.
2. A committee member may not leave the meeting by disconnecting his instantaneous telecommunication device unless he has previously obtained the express consent of the Chairman of the meeting and a committee member will be conclusively presumed to have been present and to have formed part of the quorum at all times during the committee meeting by instantaneous telecommunication device unless he has previously obtained the express consent of the Chairman of the committee meeting to leave the meeting.
3. Minutes of the proceedings at a committee meeting by instantaneous telecommunication device will be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as correct minutes by the Chairman of the committee meeting.
4. Instantaneous telecommunication device means any telecommunication conferencing device with or without visual capacity.

MINUTES

All minutes of meetings shall be circulated to every member of the Board. The minutes of each meeting shall be kept and distributed to each member. The Chairman of the Committee shall report on each meeting to the Board.

AUTHORITY

The Committee shall, in accordance with a procedure to be determined by the Board and at the cost of the Company:-

1. have authority to investigate any matter within its terms of reference, where it deems necessary, investigate any matter referred to it or that it has come across in respect of a transaction that raises questions of management integrity, possible conflict of interest or abuse by a significant or controlling shareholder;
2. have resources which are required to perform its duties;
3. have full and unrestricted access to any information pertaining to the Company;
4. have direct communication channels with the external auditors and persons carrying out internal audit function or activity (if any); and
5. be able to obtain and seek outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.

FUNCTIONS AND DUTIES

The functions and duties of the Committee are as follows:

1. To consider and recommend the appointment of the external auditors, the audit fee and any questions of resignation or dismissal, and inquire into the staffing and competence of the external auditors in performing their work.
2. To discuss with the external auditors before the audit commences the nature, scope and any significant problem that may be foreseen in the audit, ensure adequate tests to verify the accounts and procedures of the Company and ensure co-ordination where more than one audit firm is involved.
3. To review the quarterly announcements to Bursa Malaysia Securities Berhad and annual financial statements before submission to the Board, focusing particularly on:-
 - any change in accounting policies and practice;
 - major judgmental areas;
 - significant adjustments resulting from the audit;
 - the going concern assumptions;
 - compliance with the accounting standards;
 - compliance with stock exchange and legal requirements;
 - assessing the quality and effectiveness of the internal control system and the efficiency of the Company's operations;
 - the quality and effectiveness of the entire accounting and internal control systems; and
 - the adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Group.
4. To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of the management where necessary).



5. To do the following when the internal audit function is established:-
 - review the adequacy of the scope, functions and resources of internal audit department and that it has the necessary authority to carry out its work;
 - review internal audit program;
 - ensure co-ordination of external audit with internal audit;
 - consider major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - review any appraisal or assessment of the performance of the staff of the internal audit function;
 - approve any appointment or termination of a senior staff member 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/her reason of resignation.
6. To review the external auditors' management letter and management's response;
7. To report any breaches of the Listing Requirements, which have not been satisfactorily resolved to the Bursa Malaysia Securities Berhad.
8. To consider:-
 - any related party transactions that may arise within the Company or the Group and to ensure that Directors report such transactions annually to shareholders via the annual report; and
 - in respect of the recurrent related party transactions of a revenue or trading nature which are subject of a shareholders' mandate, prescribe guidelines and review procedures to ascertain that such transactions are in compliance with the terms of the shareholders' mandate.
9. To consider other topics, as may be defined and directed by the Board from time to time.

ACTIVITIES DURING THE YEAR

In line with the terms of reference of the Committee, the following activities were carried out:-

- | | |
|--------------------------------|---|
| i) External Audit | Review of the audit plans for the year.
Meeting with the auditor without the presence of the Executive Directors.
Assessment of the auditors' performance and audit fees prior to submission to the Board for their approval. |
| ii) Internal Audit | Review of the audit plans and audit findings for the year.
Address issues pertaining to risk management. |
| iii) Financial Reporting | Review of the quarterly and annual financial reports of the Company and the Group, for recommendation to the Board of Directors. |
| iv) Related Party Transactions | Review of the related party transactions entered into by the Company and the Group. |

STATEMENT BY THE AUDIT COMMITTEE IN RELATION TO THE ESOS ALLOCATION

The Company had implemented an Employees' Share Option Scheme ("ESOS") in the financial year under review.

Pursuant to PARA 8.2A of the Listing Requirement of Bursa Malaysia Securities Berhad for the Main Board, the Audit Committee confirms that the allocation to the employees pursuant to the ESOS implemented throughout the Group on 12 September 2005, has been made to eligible employees in accordance with the Listing Requirements and the ESOS Bye-Laws as detailed in the circular to shareholders dated 26 April 2005.

A breakdown of the options offered to and exercised by non executive directors pursuant to the ESOS is stated on page 36 of the annual report.

Checking out from within

We only use the best to create the best.

STATEMENT OF INTERNAL CONTROL

RESPONSIBILITY

The Board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness whilst the role of management is to implement the Board's policies on risk and control. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives.

In pursuing these objectives, internal control can only provide reasonable and no absolute assurance against material misstatement or loss.

KEY PROCESSES

The Board confirms that there is a continuous process for identifying, evaluating and managing the significant risks faced by the Group, which has been in place for the financial year under review and up to date of approval of the annual report and financial statements.

The key processes that the directors have established in reviewing the adequacy and integrity of the system of internal control, are as follows:

- The Board receives and reviews regular reports from the management of various lines of business, on the key operating statistics, legal, environmental and regulatory matters. The Board approves appropriate responses or amendments to the Group's policy.
- There is a comprehensive yearly forecasting system. The results of the lines of business are reported monthly and variances are analysed against budget and acted on in a timely manner. Forecasts are revised on a timely basis, taking into account significant business risks.
- The Group's internal audit function was out-sourced to an independent professional firm who reports directly to the Audit Committee. The internal auditors perform regular reviews of business processes to assess the effectiveness of internal controls and highlight significant risks impacting the Group. The Audit Committee conducts annual reviews on the adequacy of the internal audit department's scope of work and resources.
- The Audit Committee, on behalf of 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. During the current financial year, 7 internal audit reports were received and reviewed by the Audit Committee.
- There is a clearly defined framework for investment appraisal covering the acquisition or disposal of any business, acceptance of projects, application of capital expenditure and approval on borrowings. Post implementation reviews are conducted and reported to the Board.
- The professionalism and competence of staff is maintained through a rigorous recruitment process, a performance appraisal system and a wide variety of training and development programmes.

Statement made in accordance with the resolution of the Board of Directors dated 24 April 2006.

Useful facts to create magic
Some tips to get you ahead of the league.

OTHER COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

No proceeds were raised by the Company from any corporate proposal during the financial year.

SHARE BUYBACKS

Share buybacks by the Company during the financial year are disclosed under page 74.

Monthly breakdown	No. of shares purchased and retained as Treasury Shares	Purchase price per share (RM)		*Average cost per share (RM)	*Total consideration paid (RM)
		Lowest	Highest		
January 2005	-	-	-	-	-
February 2005	-	-	-	-	-
March 2005	117,400	1.68	1.82	1.79	210,446.99
April 2005	66,000	1.68	1.72	1.71	113,010.96
May 2005	95,900	1.55	1.78	1.68	161,369.20
June 2005	97,800	1.55	1.70	1.64	160,269.20
July 2005	218,300	1.68	1.75	1.71	373,953.69
August 2005	14,400	1.75	1.80	1.79	25,819.03
September 2005	-	-	-	-	-
October 2005	108,000	1.66	1.82	1.81	195,078.36
November 2005	2,500	1.81	1.81	1.82	4,558.96
December 2005	-	-	-	-	-
Total:	720,300				1,244,506.39

During the financial year ended 31 December 2005, a total of 720,300 shares were purchased and held as Treasury Shares. None of the Treasury Shares were resold or cancelled during the financial year.

*Note: inclusive of brokerage and other changes

EXERCISE OF OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During the financial year, the number of ordinary shares of RM1 each covered under options granted, exercised and un-issued pursuant to the Scheme are disclosed on pages 75 to 76. No warrants or convertible securities were exercised in respect of the Group during the financial year.

ADR OR GDR PROGRAMME

The Company did not sponsor any American Depositary Receipts or Global Depositary Receipts programmes during the financial year.

IMPOSITIONS OF SANCTIONS/PENALTIES

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

NON-AUDIT FEES

The amount of non-audit fee paid or payable to the external auditor by the Group for the financial year ended 31 December 2005 was RM3,850.

PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not release any profit estimate, forecast or projection for the financial year. The variance between the results for the financial year and the unaudited results previously released by the Company was immaterial.

PROFIT GUARANTEE

During the year, there was no profit guarantee given by the Company.

MATERIAL CONTRACTS

There were no material contracts of the Company and its subsidiaries involving directors' and major shareholders' interest.

CONTRACTS RELATING TO LOAN

There were no contracts relating to a loan by the Company and its subsidiaries in respect of the Preceding item.

RELATED PARTY TRANSACTIONS

Related party transactions entered into by the subsidiary companies of the Company which involve Directors' and major shareholders' interest either still subsisting at the end of the financial year ended 31 Dec 2005 or entered into since the end of the previous financial year are as follows:

- Recurrent revenue transactions in respect of sales of instant noodles, snack food and confectionery products provided by Kilang Makanan Mamee Sdn Bhd, a subsidiary of the Company, to PT Pacific Food Indonesia, a company connected to Directors and major shareholders of the Company and persons connected with them.
- Recurrent revenue transactions in respect of sales of instant noodles, snack food and confectionery products by Kilang Makanan Mamee Sdn Bhd, a subsidiary of the Company, to Yang-Yang Co. Ltd, a company connected to Directors and major shareholders of the Company.

Details of the recurrent related parties transactions are disclosed on page 80.



A word from the Chef

Revealing to you “The Making of A Dish”

DIRECTORS’ REPORT

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

PRINCIPAL ACTIVITIES

The principal activity of the Company consists of investment holding. During the financial year, the Company commenced its activity in the provision of management services.

The principal activities of the Group consist of manufacturing and marketing of food and dairy products, soft drinks and property development activity.

FINANCIAL RESULTS

	Group RM	Company RM
Profit after tax	19,479,220	6,538,241
Minority interests	(13,167)	0
Net profit for the financial year	19,466,053	6,538,241

DIVIDENDS

The amount of dividends paid or declared by the Company since 31 December 2004 were as follows:

	RM
In respect of the financial year ended 31 December 2004 as shown in the Directors’ report of that year:	
Final dividend of 6.0 sen gross per share, less income tax at 28%, on 59,896,600 ordinary shares (date of Directors’ Report)	2,587,533
Adjustments for dividends on ordinary shares bought back	(4,834)
Total dividends paid on 16 June 2005	2,582,699

In respect of the financial year ended 31 December 2005:

Interim dividend of 8.0 sen gross per share, less income tax at 28%, declared on 11 November 2005 and paid on 30 December 2005	3,433,749
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On 24 April 2006, the Directors proposed, subject to the approval of the members at the forthcoming Annual General Meeting of the Company, a final dividend of 10 sen gross per share less income tax at 28%, on 59,386,500 ordinary shares, amounting to RM4,275,828 for the financial year ended 31 December 2005 to be paid on 26 June 2006.



RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are shown in the financial statements.

SHARE CAPITAL

During the financial year, the issued and fully paid-up share capital of the Company was increased from RM61,997,000 to RM62,317,000 by way of exercise of the options to subscribe for 320,000 ordinary shares of RM1 each under the Executive Share Option Scheme at the exercise price of RM1.56 per ordinary share.

The new issued shares rank pari-passu in all respects with its existing ordinary shares of the Company, except that they will not be entitled to any dividends, rights, allotments and/or other distributions which entitlement date precedes the relevant exercise date of the Scheme.

TREASURY SHARES

During the financial year, the Company repurchased 720,300 of its issued share capital from open market on the Bursa Malaysia Securities Berhad for RM1,244,506. The average price paid for the shares repurchased was approximately RM1.73 per share.

Details of the treasury shares are set out in Note 22(a) to the financial statements.

EXECUTIVE SHARE OPTION SCHEME

The Executive Share Option Scheme ("the Scheme") was approved by the shareholders at the Extraordinary General Meeting held on 18 May 2005 and became effective on 12 September 2005. Details of the Scheme are set out in Note 22(b) to the financial statements.

During the financial year, the numbers of ordinary shares of RM1 each covered under the options granted, exercise and unissued pursuant to the Scheme are as follows:

Number of ordinary shares of RM1 each covered under Options					
<u>Date</u>	<u>Price</u>	<u>At</u> <u>1.1.2005</u>	<u>Granted</u>	<u>Exercised</u>	<u>At</u> <u>31.12.2005</u>
12.9.2005	1.56	0	636,000	320,000	316,000

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this report the name of the persons to whom options have been granted during the period and details of their holding. This information has been separately filed with the Companies Commission of Malaysia.

WARRANTS

The Warrants were detached from the Redeemable Unsecured Bonds 1998/2004 as constituted by a Trust Deed dated 22 June 1998. The warrants are quoted on the Bursa Malaysia Securities Berhad. Each warrant entitles its registered holder at any time not exceeding five (5) years from the date of its issue, to subscribe for one new ordinary share of RM1 each in the Company at an exercise price of RM1.33 per warrant. The duration and exercise period of the outstanding warrants were extended from 16 February 2003 to 16 February 2008.

As at 31 December 2005, the number of warrants remaining unexercised was 23,999,000 warrants.

DIRECTORS

The Directors who have held office during the period since the date of the last report are:-

Datuk Pang Chin Hin
Y.A.M. Tunku Osman Ahmad
Pang Tee Chew
Pang Tee Nam
Pang Tee Suan (demised on 18 June 2005)
Dato' Mohamed Nizam bin Abdul Razak
Dato' Dr. Shanmughalingam A/L Murugasu

Datuk Pang Chin Hin and Y.A.M. Tunku Osman Ahmad retire pursuant to Section 129(2) of the Companies Act, 1965 and seek re-appointment as Directors under Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

In accordance with the Company's Articles of Association, Pang Tee Chew retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the options over shares granted by the Company to Eligible Employees, including certain Directors of the Company, pursuant to the Executive Share Option Scheme.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits disclosed as Directors' remuneration in Note 6 to 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 he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions in the ordinary course of business with companies in which certain of the Directors have substantial financial interests and as disclosed in Note 27 to the financial statements.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register of Director's shareholdings, the interests of Directors in office at the end of the financial year in shares, warrants and options in the Company were as follows:

	Number of ordinary shares of RM1 each			
	At 1.1.2005	Bought	Sold	At 31.12.2005
Datuk Pang Chin Hin	7,136,725	289,000	0	7,425,725
	4,756,045	6,000	0	4,762,045 *
Y.A.M Tunku Osman Ahmad	190,000	20,000	0	210,000
Pang Tee Chew	14,224,102	160,300	0	14,384,402
	457,498	12,000	0	469,498 *
Pang Tee Nam	5,980,181	160,000	0	6,140,181
	434,164	6,000	0	440,164 *
Dato' Mohamed Nizam bin Abdul Razak	1,133,333	0	0	1,133,333

	Number of warrants #			
	At 1.1.2005	Bought	Sold	At 31.12.2005
Datuk Pang Chin Hin	2,148,999	0	0	2,148,999
	6,116,207	0	0	6,116,207 *
Pang Tee Chew	5,579,342	1,000	0	5,580,342
	4,480,655	0	0	4,480,655 *
Pang Tee Nam	2,346,000	0	0	2,346,000
	4,483,655	0	0	4,483,655 *

Each warrant entitles its registered holder to subscribe for one new ordinary share of RM1 each in the Company at an exercise price of RM1.33 per warrant.

	Number of options over ordinary shares of RM1 each			
	At 1.1.2005	Granted	Exercised	At 31.12.2005
Datuk Pang Chin Hin	0	90,000	90,000	0
	0	8,000	0	8,000 *
Y.A.M Tunku Osman Ahmad	0	20,000	20,000	0
Pang Tee Chew	0	90,000	90,000	0
	0	6,000	6,000	0 *
Pang Tee Nam	0	90,000	90,000	0
Dato' Mohamed Nizam bin Abdul Razak	0	20,000	0	20,000
Dato' Dr. Shanmughalingam A/L Murugasu	0	20,000	0	20,000

* Represent the Director's indirect interests.

The share options were granted pursuant to the Executive Share Option Scheme of the Company and entitles the holder to subscribe for one new ordinary share of RM1 each for every option held at RM1.56 per share.

Other than disclosed above, none of the other Directors in office at the end of the financial year held any interest in shares in the Company and its related corporations. No Directors held any interest in debentures of the Company and its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

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

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

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



STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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

- (a) any charge on the assets of the Group and Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors,

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

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

**SIGNED ON BEHALF OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH THEIR RESOLUTION
DATED 24 APRIL 2006.**

**DATO' DR. SHANMUGHALINGAM A/L MURUGASU
DIRECTOR**

**PANG TEE CHEW
DIRECTOR**

Hear the leaders out

In our company, we don't believe that too many cooks spoil the broth.

STATEMENT BY DIRECTORS AND STATUTORY DECLARATION

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

We, Dato' Dr. Shanmughalingam A/L Murugasu and Pang Tee Chew, two of the Directors of Mamee-Double Decker (M) Berhad, state that in the opinion of the Directors, the financial statements set out on pages 42 to 84 are drawn up so as to give a true and fair view of the state of affairs of the Group and Company as at 31 December 2005 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with the MASB approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH THEIR RESOLUTION
DATED 24 APRIL 2006.

DATO' DR. SHANMUGHALINGAM A/L MURUGASU
DIRECTOR

PANG TEE CHEW
DIRECTOR

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

I, Pang Tee Chew, the Director primarily responsible for the financial management of Mamee-Double Decker (M) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 42 to 84 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

PANG TEE CHEW

Subscribed and solemnly declared by the abovenamed Pang Tee Chew in Melaka, Malaysia on 24 April 2006, before me.

A. SUPRAMANIAM, PIS
COMMISSIONER FOR OATHS

Final taste review

The last take about the Company from another party.

REPORT OF THE AUDITORS

REPORT OF THE AUDITORS TO THE MEMBERS OF MAMEE-DOUBLE DECKER (M) BERHAD

(Company No. 222363 - T)

We have audited the financial statements set out on pages 42 to 84. 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 these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and MASB approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and Company as at 31 December 2005 and of the results and cash flows of the Group and Company for the financial year ended on that date;

and

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

The names of the subsidiaries of which we have not acted as auditors are indicated in Note 16 to the financial statements. We have considered the financial statements of these subsidiaries and the auditors' reports thereon.

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

The audit 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 Act.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

ERIC OOI LIP AUN
(No. 1517/06/06 (J))
Partner of the firm

Melaka
24 April 2006



CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Note	<u>2005</u> RM	<u>2004</u> RM
Revenue			
- continuing operations		308,932,023	277,395,471
- discontinued operations		0	208,886
	4	308,932,023	277,604,357
Cost of sales		(214,246,552)	(187,877,303)
Gross profit		94,685,471	89,727,054
Other operating income (including reversal of sales tax accrued in prior year amounting to RM1,107,207 (2004: Nil))		4,373,917	4,347,424
Selling and distribution costs		(52,380,693)	(45,898,618)
Administrative expenses		(18,612,300)	(19,339,300)
Other operating expenses (including impairment of assets of RM603,542 (2004: RM1,500,000))		(1,025,671)	(4,211,917)
Profit from operations			
- continuing operations		27,040,724	22,176,452
- discontinued operations		0	2,448,191
	5	27,040,724	24,624,643
Finance costs	7	(1,542,420)	(1,982,369)
Profit from ordinary activities before tax		25,498,304	22,642,274
Tax	8	(6,019,084)	(6,252,720)
Profit after tax		19,479,220	16,389,554
Minority interests		(13,167)	(151,776)
Net profit for the financial year		19,466,053	16,237,778
Earnings per share (sen)			
- Basic	9(a)	32.6	26.8
- Fully diluted	9(b)	29.2	24.0
Dividends per share (sen)	10	18.0	10.0



COMPANY INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Note	2005 RM	2004 RM
Revenue	4	17,453,392	11,638,137
Other operating income		396,331	0
Administrative expenses		(4,137,409)	(1,396,645)
Other operating expenses		(2,311,885)	(264,720)
Profit from operations	5	11,400,429	9,976,772
Finance costs	7	(1,292,476)	(1,579,552)
Profit from ordinary activities before tax		10,107,953	8,397,220
Tax	8	(3,569,712)	(2,941,053)
Profit after tax and net profit for the financial year		6,538,241	5,456,167



CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2005

	Note	<u>2005</u> RM	<u>2004</u> RM
Non current assets			
Property, plant and equipment	11	80,745,666	82,917,259
Land held for property development	12	3,215,081	3,195,121
Investments	13	16,053,430	10,298,074
Intangible assets	14	172,998	236,629
Deferred tax assets	15	562,000	751,000
		100,749,175	97,398,083
Current assets			
Inventories	17	23,989,410	20,465,054
Receivables	18	54,700,289	44,952,229
Tax recoverable		709,126	594,407
Fixed deposits with licensed banks		16,100,000	22,000,000
Cash and bank balances		14,299,770	14,021,132
		109,798,595	102,032,822
Less: Current liabilities			
Payables	20	50,138,288	41,689,850
Borrowings – interest bearing	21	7,500,000	7,500,000
Current tax liabilities		1,344,601	2,518,237
Dividend payable		0	1,728,403
		58,982,889	53,436,490
Net current assets		50,815,706	48,596,332
Less: Non current liabilities			
Deferred tax liabilities	15	4,101,000	3,748,000
Borrowings – interest bearing	21	10,000,000	17,500,000
		14,101,000	21,248,000
		137,463,881	124,746,415
Capital and reserves			
Share capital	22	62,317,000	61,997,000
Share premium		1,199,330	1,020,130
Treasury shares	22(a)	(4,897,710)	(3,653,204)
Reserve fund	23	526,458	526,458
Retained earnings		78,135,280	64,685,675
Shareholders' equity		137,280,358	124,576,059
Minority interests		183,523	170,356
		137,463,881	124,746,415

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2005

	Note	2005 RM	2004 RM
Non current assets			
Property, plant and equipment	11	2,903	32,212
Investments	13	10,508,711	6,481,577
Investments in subsidiaries	16	21,159,804	21,159,804
		31,671,418	27,673,593
Current assets			
Receivables	18	192,480	237,288
Amounts receivable from subsidiaries (net of allowance for doubtful debts of RM2,106,259, 2004: Nil)	19	50,564,576	104,580,788
Tax recoverable		176,109	107,180
Fixed deposits with a licensed bank		1,000,000	3,000,000
Cash and bank balances		2,169,727	573,777
		54,102,892	108,499,033
Less: Current liabilities			
Amounts payable to subsidiaries	19	582,776	42,702,199
Payables	20	1,621,194	448,171
Borrowings - interest bearing	21	7,500,000	7,500,000
Dividend payable		0	1,728,403
		9,703,970	52,378,773
Net current assets		44,398,922	56,120,260
Less: Non current liability			
Borrowings - interest bearing	21	10,000,000	17,500,000
		66,070,340	66,293,853
Capital and reserves			
Share capital	22	62,317,000	61,997,000
Share premium		1,199,330	1,020,130
Treasury shares	22(a)	(4,897,710)	(3,653,204)
Retained earnings	24	7,451,720	6,929,927
Shareholders' equity		66,070,340	66,293,853

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	<u>Share capital</u> RM	<u>Share premium</u> RM	<u>Non-distributable Treasury shares</u> RM	<u>Reserve fund</u> RM	<u>Distributable Retained earnings</u> RM	<u>Total</u> RM
2005						
Balance as at 1 January	61,997,000	1,020,130	(3,653,204)	526,458	64,685,675	124,576,059
Net profit for the financial year	0	0	0	0	19,466,053	19,466,053
Dividends for the financial year ended						
- 31 December 2004	0	0	0	0	(2,582,699)	(2,582,699)
- 31 December 2005	0	0	0	0	(3,433,749)	(3,433,749)
Purchase of treasury shares	0	0	(1,244,506)	0	0	(1,244,506)
Executive Share Option Scheme	320,000	179,200	0	0	0	499,200
Balance as at 31 December	62,317,000	1,199,330	(4,897,710)	526,458	78,135,280	137,280,358

	<u>Share capital</u> RM	<u>Share premium</u> RM	<u>Non-distributable Treasury shares</u> RM	<u>Reserve fund</u> RM	<u>Distributable Retained earnings</u> RM	<u>Total</u> RM
2004						
Balance as at 1 January	61,997,000	1,020,130	(105,955)	526,458	51,489,068	114,926,701
Net profit for the financial year	0	0	0	0	16,237,778	16,237,778
Dividends for the financial year ended						
- 31 December 2003	0	0	0	0	(1,312,768)	(1,312,768)
- 31 December 2004	0	0	0	0	(1,728,403)	(1,728,403)
Purchase of treasury shares	0	0	(3,547,249)	0	0	(3,547,249)
Balance as at 31 December	61,997,000	1,020,130	(3,653,204)	526,458	64,685,675	124,576,059

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	<u>Share capital</u> RM	<u>Non-distributable</u> <u>Share premium</u> RM	<u>Treasury shares</u> RM	<u>Distributable</u> <u>Retained earnings</u> RM	<u>Total</u> RM
2005					
Balance as at 1 January	61,997,000	1,020,130	(3,653,204)	6,929,927	66,293,853
Net profit for the financial year	0	0	0	6,538,241	6,538,241
Dividends for the financial year ended					
- 31 December 2004	0	0	0	(2,582,699)	(2,582,699)
- 31 December 2005	0	0	0	(3,433,749)	(3,433,749)
Purchase of treasury shares	0	0	(1,244,506)	0	(1,244,506)
Executive Share Option Scheme	320,000	179,200	0	0	499,200
Balance as at 31 December	62,317,000	1,199,330	(4,897,710)	7,451,720	66,070,340

	<u>Share capital</u> RM	<u>Non-distributable</u> <u>Share premium</u> RM	<u>Treasury shares</u> RM	<u>Distributable</u> <u>Retained earnings</u> RM	<u>Total</u> RM
2004					
Balance as at 1 January	61,997,000	1,020,130	(105,955)	4,514,931	67,426,106
Net profit for the financial year	0	0	0	5,456,167	5,456,167
Dividends for the financial year ended					
- 31 December 2003	0	0	0	(1,312,768)	(1,312,768)
- 31 December 2004	0	0	0	(1,728,403)	(1,728,403)
Purchase of treasury shares	0	0	(3,547,249)	0	(3,547,249)
Balance as at 31 December	61,997,000	1,020,130	(3,653,204)	6,929,927	66,293,853

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Note	<u>2005</u> RM	<u>2004</u> RM
Cash flows from operating activities			
Net profit for the financial year		19,466,053	16,237,778
Adjustments for:			
Amortisation of goodwill		63,631	63,631
Property, plant and equipment			
- depreciation		10,660,455	8,446,698
- profit on disposal		(188,008)	(3,210,394)
- written off		75,518	539,279
- impairment loss		603,542	1,500,000
Interest expense		1,289,457	1,693,700
Dividend income		(251,153)	(98,206)
Interest income		(1,067,833)	(922,998)
Tax charge		6,019,084	6,252,720
Profit on disposal of investments		(565,250)	(279,762)
Unrealised loss on foreign exchange		39,723	43,729
Minority interests		13,167	151,776
		36,158,386	30,417,951
Changes in working capital:			
Inventories		(3,506,815)	(482,451)
Receivables		(9,670,510)	(3,052,500)
Payables		8,205,120	115,759
Cash from operations		31,186,181	26,998,759
Tax paid		(6,765,438)	(5,688,028)
Net cash from operating activities		24,420,743	21,310,731
Cash flows from investing activities			
Proceeds from disposal of investments		8,315,052	2,043,780
Proceeds from disposal of property, plant and equipment		743,865	11,203,667
Purchase of investments		(13,478,025)	(9,731,486)
Purchase of property, plant and equipment		(9,630,141)	(4,187,269)
Land held for property development		(19,960)	0
Interest received		1,040,699	922,998
Dividends received		251,153	98,206
Net cash (used in)/from investing activities		(12,777,357)	349,896

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Note	2005 RM	2004 RM
Cash flows from financing activities			
Dividends paid		(7,744,851)	(2,651,754)
Interest paid		(1,289,457)	(1,693,700)
Repayment of term loans		(7,500,000)	(6,190,000)
Proceeds from issuance of shares		499,200	0
Purchase of treasury shares		(1,244,506)	(3,547,249)
Net cash used in financing activities		(17,279,614)	(14,082,703)
Net (decrease)/increase in cash and cash equivalents			
		(5,636,228)	7,577,924
Effect on exchange rate difference			
		14,866	0
Cash and cash equivalents at beginning of the financial year			
		36,021,132	28,443,208
Cash and cash equivalents at end of the financial year			
	25	30,399,770	36,021,132



COMPANY CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

Note	<u>2005</u> RM	<u>2004</u> RM
Cash flows from operating activities		
Net profit for the financial year	6,538,241	5,456,167
Adjustments for:		
Property, plant and equipment - depreciation	29,309	30,111
Interest expense	1,287,863	1,575,370
Dividend income	(13,021,996)	(10,522,384)
Interest income	(908,396)	(1,115,753)
Tax charge	3,569,712	2,941,053
Profit on disposal of investments	(317,271)	0
	(2,822,538)	(1,635,436)
Changes in working capital:		
Receivables	44,808	(2,495)
Payables	1,175,376	163,873
Balances with subsidiaries	21,961,993	16,298,276
Cash from operating activities	20,359,639	14,824,218
Tax paid	(147)	(3,360)
Net cash from operating activities	20,359,492	14,820,858
Cash flows from investing activities		
Purchase of investments	(10,000,000)	(6,000,000)
Proceed from disposal of investments	6,317,271	0
Dividend received	18,975	15,265
Interest received	178,232	107,753
Net cash used in investing activities	(3,485,522)	(5,876,982)

COMPANY CASH FLOW STATEMENT (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

	Note	2005 RM	2004 RM
Cash flows from financing activities			
Dividends paid		(7,744,851)	(2,651,754)
Interest paid		(1,287,863)	(1,575,370)
Repayment of term loans		(7,500,000)	(2,500,000)
Purchase of treasury shares		(1,244,506)	(3,547,249)
Proceeds from issuance of shares		499,200	0
Net cash used in financing activities		(17,278,020)	(10,274,373)
Net decrease in cash and cash equivalents			
		(404,050)	(1,330,497)
Cash and cash equivalents at beginning of the financial year		3,573,777	4,904,274
Cash and cash equivalents at end of the financial year	25	3,169,727	3,573,777

NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The principal activity of the Company consists of investment holding. During the financial year, the Company commenced its activity in the provision of management services.

The principal activities of the Group consist of manufacturing and marketing of food and dairy products, soft drinks and property development activity.

The average number of employees during the financial year amounted to 1,790 (2004: 1,772) for the Group and 16 (2004: 4) for the Company.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of the Bursa Malaysia Securities Berhad.

The address of the registered office of the Company is Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor.

The address of the principal place of business of the Company is Lot 1, Ayer Keroh Industrial Estate, Ayer Keroh, 75450 Melaka.

2. BASIS OF PREPARATION

The financial statements of the Group and Company have been prepared under the historical cost convention unless otherwise indicated in the summary of significant accounting policies in Note 3 to the financial statements.

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

The preparation of financial statements in conformity with the provisions of the Companies Act, 1965 and the MASB approved accounting standards in Malaysia requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) GROUP ACCOUNTING - SUBSIDIARIES

Subsidiaries are those enterprises in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) GROUP ACCOUNTING - SUBSIDIARIES

Subsidiaries are consolidated using the acquisition method of accounting except for certain subsidiaries which were consolidated prior to 1 January 2004 using the merger method of accounting in accordance with Malaysian Accounting Standard No. 2 "Accounting for Acquisition and Mergers", the general accepted accounting principle prevailing at that time.

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

Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current and previous financial years. On consolidation, the difference between the cost of merger and the nominal value of the shares acquired is adjusted against retained earnings.

Intragroup transactions, balances and unrealised gains on transactions are eliminated, unrealised losses are also eliminated unless cost cannot be recovered.

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

(b) PROPERTY, PLANT AND EQUIPMENT

Freehold land and assets under construction are stated at cost. Land and buildings are stated at Directors' valuation with subsequent additions at cost, less accumulated depreciation/impairment.

The Directors have applied the transitional provisions of International Accounting Standard (IAS) No 16 (revised) "Property, Plant and Equipment" as permitted by Malaysian Accounting Standards Board (MASB) which allows property, plant and equipment to be stated at their last recorded valuations less depreciation. Freehold and leasehold land, buildings and plantation development expenditure acquired in 1991 or earlier are stated at valuations determined by independent professional valuers in 1991 using open market value. The 1991 recorded valuations have not been updated as the Group has not adopted a policy of regular periodic revaluations of property, plant and equipment as permitted by the IAS 16 (revised) transitional provisions.

Freehold and leasehold land and buildings and plantation development expenditure acquired after 1991 are stated at cost less accumulated depreciation/impairment.

The other property, plant and equipment are stated at cost less accumulated depreciation/impairment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Freehold land is not depreciated as it has an infinite life. Leasehold land is amortised over the remaining periods of the respective leases ranging from 39 to 89 years. The other property, plant and equipment are depreciated on the straight line basis to write off the cost or valuation of each asset over its estimated useful life. The principal annual rates of depreciation used for this purpose are as follows:

	%
Buildings	2 - 20
Plant and machinery	7 - 50
Furniture, fittings and equipment	10 - 50
Motor vehicles	20 - 50

Depreciation on assets under construction commences when the assets are ready for their intended use.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3(c) on impairment of assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/loss from operations. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

Repairs and maintenance are charged to the income statement during the financial year in which they are incurred. The cost of major leasehold improvements is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major leasehold improvements are depreciated over the remaining useful life of the related asset.

(c) IMPAIRMENT OF ASSETS

Property, plant and equipment and other non-current assets, including intangible assets and investments in subsidiaries are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) INVESTMENTS

Investments in subsidiaries are shown at cost and where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(c) on impairment of assets.

Investments in other non-current investments are shown at costs and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the year in which the decline is identified.

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

(e) LAND HELD FOR PROPERTY DEVELOPMENT

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non current asset and is stated at cost.

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

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the Group's normal operating cycle.

(f) INVENTORIES

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and an appropriate proportion of production overheads (based on normal operating capacity).

Consumables and store items were valued at the lower of cost and net realisable value, cost being determined on the first-in, first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(g) INCOME TAXES

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable profits, including withholding taxes payable by a foreign subsidiary or associate on distributions of retained earnings to companies in the Group, and real property gains taxes payable on disposal of properties.

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable profits, including withholding taxes payable by a foreign subsidiary or associate on distributions of retained earnings to companies in the Group, and real property gains taxes payable on disposal of properties.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) INCOME TAXES

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred tax.

(h) FOREIGN CURRENCIES

(I) FOREIGN OPERATIONS

Financial statements of foreign operations that are integral to the operations of the Company are translated using the procedures in the following paragraph as if the transactions of the foreign operations had been those of the Company's.

(II) FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions in Group companies are accounted for at exchange rates ruling at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates ruling at the balance sheet date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement.

(III) CLOSING RATES

The principal closing rates used in translation of foreign currency amounts at balance sheet date were as follows:

Foreign currency	31.12.2005	31.12.2004
	RM	RM
1 US Dollar	3.78	3.80
1 Singapore Dollar	2.27	2.33
1 Australian Dollar	2.80	2.99
1 Hong Kong Dollar	0.48	N/A
1 Renminbi	0.4683	0.4604

(i) INTANGIBLE ASSETS - GOODWILL

Goodwill represents the excess of the cost of acquisition of subsidiaries over the fair value of the Group's share of their identifiable net assets at the date of acquisition.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) INTANGIBLE ASSETS – GOODWILL (CONTINUED)

Goodwill on acquisitions of subsidiaries are included in the balance sheet as intangible assets. Capitalised goodwill is amortised using the straight line method over its estimated useful life or 18 years, whichever is shorter. Where an indication of impairment exists, the carrying amount of goodwill is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(c) on impairment of assets.

(j) TRADE RECEIVABLES

Trade receivables are carried at invoice amount less an allowance for doubtful debts. The allowance is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the carrying amount and the recoverable amount.

(k) CASH AND CASH EQUIVALENTS

For the purposes of cash flow statements, cash and cash equivalents comprise cash in hand, deposits held at call with banks, (net of bank overdrafts) and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

(l) REVENUE RECOGNITION

Sales are recognised upon delivery of goods and acknowledgement of acceptance by customers, if any, net of sales taxes and discounts, and after eliminating sales within the Group.

Interest and rental income are recognised on the accrual basis.

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

(m) SHARE CAPITAL

(I) CLASSIFICATION

Ordinary shares are classified as equity.

(II) DIVIDENDS TO SHAREHOLDERS OF THE COMPANY

Dividends on ordinary shares are recognised as a liability when proposed or declared by the Board of Directors before the balance sheet date. Dividends when proposed or declared by the Board of Directors after the balance date but before the financial statements are authorised for issue will be accounted for in the next financial year.

(III) PURCHASE OF OWN SHARES

Where the Company or its subsidiaries purchases the Company's equity share capital, the consideration paid, including any attributable incremental external costs, net of tax, is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) BORROWINGS

Borrowings are initially recognised based on the proceeds received and net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

Interest relating to a financial instrument classified as a liability is reported within finance cost in the income statement.

(o) FINANCIAL INSTRUMENTS

(I) DESCRIPTION

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(II) FINANCIAL INSTRUMENTS RECOGNISED ON THE BALANCE SHEET

The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual policy statements associated with each item.

(III) FAIR VALUE ESTIMATION FOR DISCLOSURE PURPOSES

In assessing the fair value of non-traded derivatives and financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for the specific or similar instruments are used for long term debt. Other techniques, such as option pricing models and estimated discounted value of future cash flows, are used to determine fair value for the remaining financial instruments. In particular, the fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

The face values, less any estimated credit adjustments, for financial assets and liabilities with tenure to maturity of less than one financial year are assumed to approximate their fair values.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) EMPLOYEE BENEFITS

(I) SHORT TERM EMPLOYEE BENEFITS

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

(II) POST-EMPLOYMENT BENEFITS

The Group's post-employment benefit scheme comprises only defined contribution plan.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

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

(q) SEGMENT REPORTING

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risk and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and segment liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group enterprises within a single segment.

4. Revenue

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Sale of goods	308,932,023	277,395,471	0	0
Sale of oil palm fresh fruit bunches	0	208,886	0	0
Management fee income	0	0	3,523,000	0
Gross investment income:				
- Dividends	0	0	13,021,996	10,522,384
- Interest	0	0	908,396	1,115,753
	308,932,023	277,604,357	17,453,392	11,638,137

5. PROFIT FROM OPERATIONS

Profit from operations is arrived at after charging/(crediting):

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Amortisation of goodwill	63,631	63,631	0	0
Auditors' remuneration				
- statutory audit				
- current year	77,000	60,700	12,000	8,000
- prior year's underprovision	700	4,750	2,000	0
- other service	3,850	3,500	3,850	3,500
Property, plant and equipment				
- depreciation	10,660,455	8,446,698	29,309	30,111
- profit on disposal				
- plantation land	0	(2,605,067)	0	0
- others	(188,008)	(605,327)	0	0
- written off	75,518	539,279	0	0
- impairment loss	603,542	1,500,000	0	0
Rental of buildings	202,429	243,800	0	0
Staff costs (including remuneration of executive Directors)				
- salaries, wages, bonus and other employee benefits	32,663,565	28,848,424	3,716,707	378,823
- defined contribution retirement plan	2,593,769	2,703,003	359,627	34,968
Loss/(gain) on foreign exchange				
- realised	340,294	(153,629)	16,627	263,603
- unrealised	39,723	43,729	0	0
Income from investments (gross):				
Quoted in Malaysia	(251,153)	(98,206)	(18,975)	(18,625)
Unquoted subsidiary companies	0	0	(13,003,021)	(10,503,759)
Interest income	(1,067,833)	(922,998)	(908,396)	(1,115,753)
Profit on disposal of investments	(565,250)	(279,762)	(317,271)	0
(Write back)/allowance for doubtful debts (net)	(1,082,382)	3,331,658	2,139,118	0
Write back of stock obsolescence	(250,009)	0	0	0
Reversal of sales tax accrued in prior financial years	(1,107,207)	0	0	0

The cost of inventories recognised as an expense during the financial year amounted to RM214,246,552 (2004: RM187,877,303) for the Group.

6. DIRECTORS' REMUNERATION

The aggregate amount of emoluments receivable by Directors of the Company during the financial year were as follows:

	Group		Company	
	<u>2005</u> RM	<u>2004</u> RM	<u>2005</u> RM	<u>2004</u> RM
Non-executive Directors:				
- fees	100,000	100,000	100,000	100,000
- allowances	60,000	30,000	60,000	30,000
Executive Directors:				
- fees	136,500	151,000	110,000	120,000
- basic salaries, bonus and other emoluments	2,304,058	2,262,066	1,837,000	88,000
- defined contribution retirement plan	255,740	272,555	212,990	0
- estimated monetary value of benefits-in-kind	82,962	97,350	82,962	0
	2,939,260	2,912,971	2,402,952	338,000

7. FINANCE COSTS

	Group		Company	
	<u>2005</u> RM	<u>2004</u> RM	<u>2005</u> RM	<u>2004</u> RM
Interest on overdraft	1,594	1,386	0	0
Interest on term loans	1,287,863	1,692,314	1,287,863	1,575,370
Other bank charges	252,963	288,669	4,613	4,182
	1,542,420	1,982,369	1,292,476	1,579,552

8. TAX

(a) THE TAX CHARGE COMPRISE:

	Group		Company	
	<u>2005</u> RM	<u>2004</u> RM	<u>2005</u> RM	<u>2004</u> RM
Current tax:				
- Malaysian tax	5,445,166	5,971,004	3,569,712	2,941,053
- Foreign tax	31,918	91,716	0	0
	5,477,084	6,062,720	3,569,712	2,941,053
Deferred tax (Note 15)	542,000	190,000	0	0
	6,019,084	6,252,720	3,569,712	2,941,053

8. TAX (CONTINUED)

(a) THE TAX CHARGE COMPRISE: (CONTINUED)

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Current tax				
Current year	5,132,200	5,568,016	3,569,712	2,941,053
Under accrual in prior year (net)	344,884	494,704	0	0
	5,477,084	6,062,720	3,569,712	2,941,053
Deferred tax				
Origination and reversal of temporary difference	542,000	190,000	0	0
	6,019,084	6,252,720	3,569,712	2,941,053

(b) NUMERICAL RECONCILIATION OF TAX EXPENSE

The tax on the Group's and Company's profit before tax differs from the theoretical amount that would arise using the statutory income tax rate of Malaysia as follows:

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Profit before tax	25,498,304	22,642,274	10,107,953	8,397,220
Theoretical tax charge at statutory tax rate of 28% (2004: 28%)	7,139,525	6,339,837	2,830,227	2,351,222
Tax effects of:				
- different tax rate in other countries	(7,031)	6,114	0	0
- lower tax rate for small and medium enterprise	(148,088)	(120,000)	0	0
- expenses not deductible for tax purposes	747,151	1,125,051	739,485	589,831
- income not subject to tax	(404,920)	(869,278)	0	0
- current year's tax losses not recognised	137,390	25,084	0	0
- temporary differences not recognised	(26,843)	49,245	0	0
- utilisation of tax incentives	(2,277,800)	(1,904,610)	0	0
- utilisation of prior year tax losses	(26,602)	0	0	0
- others	563,213	223,573	0	0
Prior year's under accrual (net)	323,089	1,377,704	0	0
	6,019,084	6,252,720	3,569,712	2,941,053

9. EARNINGS PER SHARE

(a) BASIC EARNINGS PER SHARE

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

	<u>2005</u>	<u>2004</u>
Net profit for the financial year (RM)	19,466,053	16,237,778
Weighted average number of ordinary shares in issue	59,664,058	60,599,317
Basic earnings per share (sen)	32.6	26.8

(b) DILUTED EARNINGS PER SHARE

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: warrants with a right to subscribe for ordinary shares and executive share options. In calculating diluted earnings per share, the warrants are assumed to have been exercised and converted into ordinary shares. A calculation is done to determine the number of shares that could have been acquired at market price (determined as the average annual share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding warrants. This calculation serves to determine the 'unpurchased' shares to be added to the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to net profit for the financial year for the warrants' calculation.

For Executive Share Options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	<u>2005</u>	<u>2004</u>
Net profit for the financial year (RM)	19,466,053	16,237,778
Weighted average number of ordinary shares in issue	59,664,058	60,599,317
Adjustment for:		
- warrants	6,930,481	7,021,276
- executive share options	52,385	0
Weighted average number of ordinary shares for diluted earnings per share	66,646,924	67,620,593
Diluted earnings per share (sen)	29.2	24.0

10. DIVIDENDS

Dividends declared or proposed are as follows:

	Group and Company			
	2005		2004	
	Gross per share Sen	Amount of dividend net of tax RM	Gross per share Sen	Amount of dividend net of tax RM
Interim dividend	8.0	3,433,749	4.0	1,728,403
Proposed final dividend	10.0	4,275,828	6.0	2,582,699
	18.0	7,709,577	10.0	4,311,102

The interim dividend of 8.0 sen gross per share, less income tax at 28% amounting to RM3,433,749 was declared on 11 November 2005 and paid on 30 December 2005.

On 24 April 2006, the Directors proposed, subject to the approval of the members at the forthcoming Annual General Meeting of the Company, a final dividend of 10 sen gross per share less income tax at 28%, on 59,386,500 ordinary shares, amounting to RM4,275,828 for the financial year ended 31 December 2005 to be paid on 26 June 2006.



11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Buildings on freehold land RM	Long leasehold land RM	Short leasehold land RM	Buildings on leasehold land RM
At cost/valuation					
Balance as at 1 January 2005					
At cost	2,501,980	14,931,094	9,824,580	1,782,755	26,136,766
At valuation	2,318,000	277,000	2,131,000	0	6,264,000
	4,819,980	15,208,094	11,955,580	1,782,755	32,400,766
Additions	0	245,740	0	0	983,548
Disposals	0	0	0	0	0
Write off	0	0	(4,994)	0	0
Currency translation difference	0	0	0	24,855	108,688
Balance as at 31 December 2005					
At cost	2,501,980	15,176,834	9,819,586	1,807,610	27,229,002
At valuation	2,318,000	277,000	2,131,000	0	6,264,000
	4,819,980	15,453,834	11,950,586	1,807,610	33,493,002
Accumulated depreciation/impairment					
Balance as at 1 January 2005	0	4,392,685	1,145,638	557,537	11,749,668
Depreciation charge	0	610,454	157,316	30,885	1,354,278
Disposals	0	0	0	0	0
Write off	0	0	(64)	0	0
Impairment charge	0	0	0	0	0
Currency translation difference	0	0	0	7,307	38,401
Balance as at 31 December 2005	0	5,003,139	1,302,890	595,729	13,142,347
Net book value as at 31 December 2005	4,819,980	10,450,695	10,647,696	1,211,881	20,350,655
Net book value as at 31 December 2004	4,819,980	10,815,409	10,809,942	1,225,218	20,651,098

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Plant and machinery RM	Furniture, fittings & equipment RM	Motor vehicles RM	Assets under construction RM	Total RM
At cost/valuation					
Balance as at 1 January 2005					
At cost	102,253,876	15,555,802	16,463,937	507,857	189,958,647
At valuation	0	0	0	0	10,990,000
	102,253,876	15,555,802	16,463,937	507,857	200,948,647
Additions	6,143,429	607,084	2,141,519	(491,179)	9,630,141
Disposals	(1,256,819)	(13,737)	(1,637,820)	0	(2,908,376)
Write off	(196,541)	(14,285)	(182,897)	0	(398,717)
Currency translation difference	166,520	35,517	22,107	0	357,687
Balance as at 31 December 2005					
At cost	107,110,465	16,170,381	16,806,846	16,678	196,639,382
At valuation	0	0	0	0	10,990,000
	107,110,465	16,170,381	16,806,846	16,678	207,629,382
Accumulated depreciation/impairment					
Balance as at 1 January 2005	74,332,651	12,219,757	13,633,452	0	118,031,388
Depreciation charge	6,134,760	1,191,963	1,180,799	0	10,660,455
Disposals	(1,167,743)	(9,057)	(1,175,719)	0	(2,352,519)
Write off	(131,409)	(10,951)	(180,775)	0	(323,199)
Impairment charge	526,163	77,379	0	0	603,542
Currency translation difference	168,163	29,528	20,650	0	264,049
Balance as at 31 December 2005	79,862,585	13,498,619	13,478,407	0	126,883,716
Net book value as at 31 December 2005	27,247,880	2,671,762	3,328,439	16,678	80,745,666
Net book value as at 31 December 2004	27,921,225	3,336,045	2,830,485	507,857	82,917,259

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

Company	Furniture, fittings and equipment RM	Motor vehicles RM	Total RM
At cost			
Balance as at 1 January 2005/ 31 December 2004	54,233	225,070	279,303
Accumulated depreciation			
Balance as at 1 January 2005	50,167	196,924	247,091
Depreciation charge	1,164	28,145	29,309
Balance as at 31 December 2005	51,331	225,069	276,400
Net book value as at 31 December 2005	2,902	1	2,903
Net book value as at 31 December 2004	4,066	28,146	32,212

Land, buildings and plantation development expenditure acquired in 1991 or earlier of the Group were revalued in 1991 by the Directors based on an independent firm of professional valuers and are stated at valuation on the open market basis as approved by the then Capital Issues Committee.

Had the property, plant and equipment been included in the financial statements at cost less depreciation, the net book value of the revalued assets would have been as follows:

	2005 RM	Group 2004 RM
Freehold land	2,111,314	2,111,314
Buildings on freehold land	112,011	121,000
Long leasehold land	127,419	141,953
Buildings on long leasehold land	1,071,781	1,227,489
	3,422,525	3,601,756

12. LAND HELD FOR PROPERTY DEVELOPMENT

	2005 RM	Group 2004 RM
Long leasehold land, at cost		
Balance as at 1 January	3,195,121	0
Reclassification from property, plant and equipment	0	3,195,121
Additions during the financial year	19,960	0
Balance as at 31 December	3,215,081	3,195,121

13. INVESTMENTS

	Group		Company	
	<u>2005</u> RM	<u>2004</u> RM	<u>2005</u> RM	<u>2004</u> RM
At cost				
Quoted in Malaysia	5,555,462	4,827,240	821,852	821,852
Quoted outside Malaysia	9,109	9,109	0	0
Unquoted	2,000	2,000	0	0
Shares in corporations	5,566,571	4,838,349	821,852	821,852
Less: Allowance for diminution in value	(540,275)	(540,275)	(340,275)	(340,275)
	5,026,296	4,298,074	481,577	481,577
Quoted in Malaysia Unit Trust and money market funds	11,027,134	6,000,000	10,027,134	6,000,000
	16,053,430	10,298,074	10,508,711	6,481,577
Market value of quoted investments				
Shares in corporations	5,509,638	5,019,253	598,800	717,600
Unit Trust and money market funds	11,021,112	6,000,000	10,007,912	6,000,000
	16,530,750	11,019,253	10,606,712	6,717,600

14. INTANGIBLE ASSETS

	Group	
	<u>2005</u> RM	<u>2004</u> RM
Goodwill arising on consolidation		
At cost		
Balance as at beginning/end of financial year	1,065,550	1,065,550
Accumulated amortisation		
Balance as at beginning of financial year	828,921	765,290
Amortisation charge	63,631	63,631
Balance as at end of financial year	892,552	828,921
Net book value as at end of financial year	172,998	236,629

15. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	Group	
	2005 RM	2004 RM
Deferred tax assets	562,000	751,000
Deferred tax liabilities:		
- subject to income tax	(4,049,000)	(3,696,000)
- subject to capital gains tax	(52,000)	(52,000)
	(4,101,000)	(3,748,000)
	(3,539,000)	(2,997,000)

The movements during the financial year relating to deferred tax assets and liabilities are as follows:

	Group	
	2005 RM	2004 RM
As at beginning of the financial year	(2,997,000)	(2,807,000)
(Charged)/credited to income statement (Note 8)		
- property, plant and equipment	(185,000)	(203,000)
- allowances	(357,000)	13,000
	(542,000)	(190,000)
As at end of the financial year	(3,539,000)	(2,997,000)

Subject to income tax

Deferred tax assets (before offsetting)		
Property, plant and equipment	264,000	233,000
Allowances	1,187,000	1,544,000
	1,451,000	1,777,000
Offsetting	(889,000)	(1,026,000)
Deferred tax assets (after offsetting)	562,000	751,000
Deferred tax liabilities (before offsetting)		
Property, plant and equipment	(4,938,000)	(4,722,000)
Offsetting	889,000	1,026,000
Deferred tax liability (after offsetting)	(4,049,000)	(3,696,000)

15. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

	2005	Group	2004
	RM		RM
Subject to capital gains tax			
<u>Deferred tax liabilities</u>			
Property, plant and equipment	(52,000)		(52,000)

The amounts of deductible temporary differences and unutilised tax losses (both of which have no expiry date) for which no deferred tax asset is recognised in the balance sheet are as follows:

	2005	Group	2004
	RM		RM
Deductible temporary differences	2,764,000		2,826,000
Unutilised tax losses	12,633,000		12,660,000

16. INVESTMENTS IN SUBSIDIARIES

	2005	Company	2004
	RM		RM
Shares in unquoted corporations, at cost	23,815,332		23,815,332
Allowance for impairment in value of investments	(2,655,528)		(2,655,528)
	21,159,804		21,159,804

The details of the subsidiaries are as follows:

<u>Name of company</u>	Group's effective equity interest	Principal activities	Country of incorporation and principal place of business
	2005		
	%		
Pacific Food Products Sendirian Berhad	100	100	Manufacturing and marketing of food products
			Malaysia

16. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

<u>Name of company</u>	<u>Group's effective equity interest</u>		<u>Principal activities</u>	<u>Country of incorporation and principal place of business</u>
	<u>2005</u> %	<u>2004</u> %		
<u>Held through 98% ownership by Pacific Food Products Sendirian Berhad</u>				
Pacific Plantations Sdn Bhd	98	98	Oil palm cultivation and production - inactive	Malaysia
MDD Beverage Sdn Bhd	99.7	99.7	Manufacturing, marketing and contract packing of soft drinks	Malaysia
<u>Held through 100% ownership by MDD Beverage Sdn Bhd</u>				
Pure Products Sdn Bhd	99.7	99.7	Marketing of soft drinks	Malaysia
Kilang Makanan Mamee Sdn Bhd	100	100	Manufacturing and marketing of food and dairy products	Malaysia
<u>Held through 60% ownership by Kilang Makanan Mamee Sdn Bhd</u>				
Mamee-Double Decker Foods (Suzhou) Co. Ltd	60	60	Manufacturing and marketing of food products	People's Republic of China
Mamee-Double Decker Distribution (M) Sdn Bhd (Formerly known as MDD Distribution (M) Sdn Bhd)	100	100	Marketing of food products and soft drinks	Malaysia
Milk Specialities Distribution Sdn Bhd	100	100	Marketing of dairy products	Malaysia
MDD Food Specialities Sdn Bhd	100	100	Motor vehicle rental services	Malaysia
Myanmar Mamee-Double Decker Ltd *	60	60	Manufacturing and marketing of food products	The Union of Myanmar

16. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

<u>Name of company</u>	<u>Group's effective equity interest</u>		<u>Principal activities</u>	<u>Country of incorporation and principal place of business</u>
	<u>2005</u> %	<u>2004</u> %		
Mamee-Double Decker Ltd *	100	100	Dormant	The Union of Myanmar
MDD Bulk Food Sdn Bhd	100	100	Marketing of food products - inactive	Malaysia
MDD Properties Sdn Bhd	100	100	Property development	Malaysia

* Not audited by PricewaterhouseCoopers Malaysia.

17. INVENTORIES

	<u>2005</u> RM	<u>Group</u> <u>2004</u> RM
At cost		
Finished goods	7,258,606	6,566,730
Work-in-progress	2,084,228	1,754,279
Raw materials	13,728,976	11,507,835
Consumable stores	917,600	636,210
	23,989,410	20,465,054

18. RECEIVABLES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Trade receivables	56,996,089	47,896,057	0	0
Allowance for doubtful debts	(7,997,822)	(7,834,622)	0	0
	48,998,267	40,061,435	0	0
Other receivables	2,905,939	3,576,109		0
Deposits and prepayments	4,422,985	3,535,503	1,819,382	1,864,190
Allowance for doubtful deposits and other receivables	(1,626,902)	(2,220,818)	(1,626,902)	(1,626,902)
	5,702,022	4,890,794	192,480	237,288
	54,700,289	44,952,229	192,480	237,288

Credit terms of trade receivables range from payment in advance to 60 days (2004: payment in advance to 60 days).

19. AMOUNTS RECEIVABLE FROM/PAYABLE TO SUBSIDIARIES

Included in the amounts receivable from subsidiaries is an amount of RM36,425,609 (2004: RM88,607,113), which is unsecured, with no fixed terms of repayment and bears interest at the rate of 1.6% (2004: 6%) per annum. The other amounts receivable from/payable to subsidiaries are unsecured, interest free with no fixed terms of repayment.

20. PAYABLES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Trade payables	26,962,569	24,738,981	0	0
Trade accruals	13,351,902	9,916,827	152,230	228,171
Other payables	9,823,817	7,034,042	1,468,964	220,000
	50,138,288	41,689,850	1,621,194	448,171

Credit terms of trade payables vary from 30 to 90 days. (2004: 30 to 90 days).

21. BORROWINGS - INTEREST BEARING

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Current				
Term loans - unsecured	7,500,000	7,500,000	7,500,000	7,500,000
Non current				
Term loans - unsecured	10,000,000	17,500,000	10,000,000	17,500,000
	17,500,000	25,000,000	17,500,000	25,000,000

Interest on term loans is chargeable at rates ranging from 5.25% - 6.65% (2004: 5.25% to 6.65%) per annum during the financial year. The term loans are repayable over five annual instalments commencing July 2002.

22. SHARE CAPITAL

	Group and Company			
	<u>2005</u> Number of shares	<u>2005</u> RM	<u>2004</u> Number of shares	<u>2004</u> RM
Authorised:				
Balance as at beginning and at end of financial year	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid:				
Balance as at beginning of financial year	61,997,000	61,997,000	61,997,000	61,997,000
Issued during the year				
- Pursuant to the Executive Share Option Scheme	320,000	320,000	0	0
Balance as at end of financial year	62,317,000	62,317,000	61,997,000	61,997,000

(a) TREASURY SHARES

The shareholders of the Company, by an Ordinary Resolution passed in a general meeting held on 18 May 2005, approved the Company's Share Buy-Back plan. The Share Buy-Back will enable the Company to utilise its financial resources not immediately required for use, to purchase its own shares. The Shares Buy-Back may enhance the earnings per share and reduce the liquidity level of the shares in the Bursa Malaysia Securities Berhad (BMSB), which generally will have a positive impact on the market prices of the shares. The Shares Buy-Back will in the longer term enhance the value of the Company's shares in terms of capital appreciation.

During the financial year, the Company repurchased 720,300 shares from the open market on the BMSB for RM1,244,506. The average price paid for the share repurchased was approximately RM1.73 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares as allowed under Section 67A of Companies Act 1965. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distributions are suspended. As at 31 December 2005 the total treasury shares repurchased was 2,703,300 of the issued share capital and none of the treasury shares repurchased has been sold as at 31 December 2005.

At the balance sheet date, the number of outstanding shares in issue after setting treasury shares off against equity is 59,613,700.

(b) EXECUTIVE SHARE OPTION SCHEME

The Company implemented the Executive Share Option Scheme as approved by the shareholders at the Extraordinary General Meeting held on 18 May 2005 and became effective on 12 September 2005.

The main features of the Scheme are as follows:

- (a) The total number of new ordinary shares of the Company, which may be made available under the Scheme shall not exceed 10% of the total issued and paid-up share capital of the Company at any point of time during the existence of the Scheme;
- (b) The Scheme offers Eligible Employees to participate in the "Selling Flexibility" scheme or conventional scheme. The "Selling Flexibility" refers to a scheme whereby the Selling Shareholders allocate a certain quantum of the shareholdings in the Company to facilitate the immediate selling of options by Eligible Employees;
- (c) Eligible Employees includes:-
 - full time employees with designation of Executive within the Group whose appointment or service has been confirmed in writing and with two (2) continuous years of service in the Group; or
 - full time employees with designation of Director and Manager, whose appointment or service has been confirmed in writing;
 - Independent Directors of the Group;
- (d) The options granted are valid for five (5) years and may be exercised any time before the expiry of the Scheme on 27 July 2010 except for certain periods as determined by the Scheme's Option Committee. The options may be exercise in full or in such lesser number of ordinary shares provided that the number shall be in multiples of 1,000;
- (e) The price at which the grantees are entitled to subscribe for shares under the Scheme is the average of the mean market quotation of the shares stated in the daily official issued by the Bursa Malaysia for the five (5) market days immediately preceding the respective dates of offer of the option;
- (f) The new ordinary shares of the Company to be issued pursuant to the Scheme will, upon allotment and issue, rank pari passu in all respects within its then existing ordinary shares of the Company, except that they will not be entitled to any dividends, rights, allotments and/or other distributions which entitlement date precedes the relevant exercise date of the Scheme.

During the financial year, the numbers of ordinary shares of RM1 each covered under the options granted, exercise and unissued pursuant to the Scheme are as follows:

Number of ordinary shares of RM1 each covered under Options					
Date	Price	At 1.1.2005	Granted	Exercised	At 31.12.2005
12.9.2005	1.56	0	636,000	320,000	316,000
				2005 RM	2004 RM
Number of share option vested at balance sheet date				316,000	0

Details relating to options exercised during the financial year are as follows:

Exercise date	Fair value of shares at share issue date RM/share	Exercise price RM/share	Number of shares issued 2005	2004
October 2005	1.69	1.56	22,000	0
November 2005	1.72 – 1.85	1.56	298,000	0
			320,000	0

22. SHARE CAPITAL (CONTINUED)

(b) EXECUTIVE SHARE OPTION SCHEME (CONTINUED)

	2005	2004
	RM	RM
Ordinary share capital – at par	320,000	0
Share premium	179,200	0
Proceeds received on exercise of share options	499,200	0
Fair value at exercise date of shares issued	572,720	0

23. RESERVE FUND (NON-DISTRIBUTABLE)

	Group	2004
	2005	RM
	RM	
Balance as at beginning and end of financial year	526,458	526,458

The reserve fund is maintained by a subsidiary in compliance with the provisions of the People's Republic of China Business Law.

24. RETAINED EARNINGS

As at 31 December 2005, the Company has sufficient tax credits under Section 108 of the Income Tax Act, 1967 and tax exempt income, subject to agreement with the tax authorities to frank in full all of its retained earnings if paid out as dividends.

25. CASH AND CASH EQUIVALENTS

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Cash and bank balances	14,299,770	14,021,132	2,169,727	573,777
Fixed deposits with licensed banks	16,100,000	22,000,000	1,000,000	3,000,000
	30,399,770	36,021,132	3,169,727	3,573,777

26. SEGMENT INFORMATION

The Group is organised into two main business segments:

- (i) Food and beverage - manufacture and marketing of a range of food and dairy products and soft drinks.
- (ii) Property development - development of land into commercial buildings.

During the previous financial year, the Group has also reported plantation as one of its main business segments. Following the disposal of the plantation land in the previous financial year and the plantation activity has since become inactive, the plantation segment is no longer reported in the current financial year.

26. SEGMENT INFORMATION (CONTINUED)

(A) PRIMARY REPORTING FORMAT - BUSINESS SEGMENTS

2005	Food and beverage RM	Property development RM	Other RM	Eliminations RM	Group RM
Sales					
External sales	308,932,023	0	0	0	308,932,023
Results					
Segment results (external)	25,161,491	0	0	0	25,161,491
Unallocated income (net)					1,879,234
Profit from operations					27,040,724
Finance cost					(1,542,420)
Profit from ordinary activities before tax					25,498,304
Tax					(6,019,084)
Profit after tax					19,479,220
Minority interests					(13,167)
Net profit for the financial year					19,466,053
Other information					
Segment assets	177,112,497	3,778,487	6,676,955	(10,444,725)	177,123,214
Unallocated assets					33,424,556
Total assets					210,547,770
Segment liabilities	56,763,567	3,816,946	2,500	(10,444,725)	50,138,288
Unallocated liabilities					22,945,601
Total liabilities					73,083,889
Capital expenditure	9,630,141	0	0	0	9,630,141
Depreciation and amortisation	10,724,086	0	0	0	10,724,086
Impairment loss on assets	603,542	0	0	0	603,542

26. SEGMENT INFORMATION (CONTINUED)

(A) PRIMARY REPORTING FORMAT – BUSINESS SEGMENTS (CONTINUED)

2004	Food and beverage RM	Property development RM	Other RM	Eliminations RM	Group RM
Sales					
External sales	277,395,471	0	208,886	0	277,604,357
Results					
Segment results (external)	21,203,207	0	2,448,191	(47,959)	23,603,439
Unallocated income (net)					1,021,204
Profit from operations					24,624,643
Finance cost					(1,982,369)
Profit from ordinary activities before tax					22,642,274
Tax					(6,252,720)
Profit after tax					16,389,554
Minority interest					(151,776)
Net profit for the financial year					16,237,778
Other information					
Segment assets	166,522,727	3,196,778	6,769,959	(10,702,040)	165,787,424
Unallocated assets					33,643,481
Total assets					199,430,905
Segment liabilities	46,795,932	7,322,361	2,000	(10,702,040)	43,418,253
Unallocated liabilities					31,266,237
Total liabilities					74,684,490
Capital expenditure	4,177,019	0	10,250	0	4,187,269
Depreciation and amortisation	8,455,866	0	54,463	0	8,510,329
Impairment loss on assets	1,500,000	0	0	0	1,500,000

26. SEGMENT INFORMATION (CONTINUED)

(a) PRIMARY REPORTING FORMAT – BUSINESS SEGMENTS (CONTINUED)

Unallocated income includes interest income and dividend from other investments. Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, receivables and operating cash, and mainly exclude fixed deposits, investments and deferred tax assets. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings.

Capital expenditure comprises additions to property, plant and equipment and intangible assets.

(b) SECONDARY REPORTING FORMAT - GEOGRAPHICAL SEGMENTS

The Group operates in three main geographical areas.

- i) Malaysia* - manufacture and marketing of food, dairy products and soft drinks
- ii) China - manufacture and marketing of food products
- iii) Myanmar - manufacture and marketing of food products

* Company's home country

	Sales		Total assets		Capital expenditure	
	2005 RM	2004 RM	2005 RM	2004 RM	2005 RM	2004 RM
Malaysia	213,372,959	194,516,142	152,908,427	141,901,756	9,330,773	3,969,643
China	12,919,880	9,548,283	14,533,593	14,686,509	186,921	82,099
Myanmar	12,219,324	10,579,230	9,681,194	9,199,159	112,447	135,527
Other Asean countries	24,870,930	25,490,178	0	0	0	0
Others	45,548,930	37,470,524	0	0	0	0
	308,932,023	277,604,357	177,123,214	165,787,424	9,630,141	4,187,269
Unallocated assets			33,424,556	33,643,481		
Total assets			210,547,770	199,430,905		

In determining the geographical segments of the Group, sales are based on the country in which the customer is located. There are no sales between the segments. Total assets and capital expenditure are determined based on where the assets are located.

27. SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The related party transactions described below were carried out on agreed terms. The transactions were conducted in accordance with the general mandate obtained from shareholders for recurrent related party transactions.

	Group	
	2005	2004
	RM	RM
(a) Sale of goods to PT Pacific Food Indonesia	3,555,101	4,943,164

PT Pacific Food Indonesia is a company wholly-owned by Datuk Pang Chin Hin, Pang Tee Chew and Pang Tee Nam, who are the Directors and major shareholders of Mamee-Double Decker (M) Berhad ("MDD").

	Group	
	2005	2004
	RM	RM
(b) Sale of goods to Yang-Yang Co Ltd	1,497,404	597,333

Yang-Yang Co Ltd is a company wholly-owned by persons connected to Datuk Pang Chin Hin, Pang Tee Chew and Pang Tee Nam, who are the Directors and major shareholders of MDD.

28. FINANCIAL RISK MANAGEMENT

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its risks. The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:

(a) FOREIGN CURRENCY EXCHANGE RISK

The Group is exposed to foreign currency risk as a result of its normal business activities. The Group's policy is to minimise the exposure of foreign exchange risk either by entering into a forward contract or to pay from its foreign currency accounts.

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) FOREIGN CURRENCY EXCHANGE RISK (CONTINUED)

The currency exposure of financial assets and financial liabilities of the Group set out below.

Group	Currency exposure at 31.12.2005					Currency exposure at 31.12.2004			
	US Dollar RM	S'pore Dollar RM	Aust Dollar RM	HK Dollar RM	Others RM	US Dollar RM	S'pore Dollar RM	Aust Dollar RM	Others RM
Functional currency - Ringgit Malaysia									
Trade receivables									
- external	11,220,558	2,949,332	2,616,709	407,149	955,393	11,390,285	1,436,073	2,592,303	378,993
- intragroup	22,003,314	0	0	0	0	23,266,245	0	0	0
Deposits, cash and bank balances	2,288,388	0	649,630	0	15,960	331,191	0	3,767,628	0
Trade payables									
- external	(915,125)	(20,805)	(530,905)	0	(141,216)	(157,668)	(49,163)	(550,462)	(64,852)
Unhedged	34,597,135	2,928,527	2,735,434	407,149	830,137	34,830,053	1,386,910	5,809,469	314,141

	<u>Currency exposure at 31.12.2005</u>	<u>Currency exposure at 31.12.2004</u>
	<u>Ringgit Malaysia</u>	<u>Ringgit Malaysia</u>
Group	RM	RM
Functional currency - US Dollar		
Receivables	1,086,524	372,528
Deposits, cash and bank balances	171,891	529,476
Payables		
- external	(359,108)	(332,782)
- intragroup	(10,042,433)	(9,370,471)
Unhedged	(9,143,126)	(8,801,249)

Group	Currency exposure at 31.12.2005		Currency exposure at 31.12.2004	
	Ringgit Malaysia RM	US Dollar RM	Ringgit Malaysia RM	US Dollar RM
Functional currency - Renminbi				
Receivables	6,048,567	0	4,633,641	0
Deposits, cash and bank balances	387,330	0	1,028,811	0
Payables				
- external	(6,891,911)	0	(5,480,736)	0
- intragroup	0	(11,878,709)	0	(11,705,050)
Unhedged	(456,014)	(11,878,709)	181,716	(11,705,050)

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) FOREIGN CURRENCY EXCHANGE RISK (CONTINUED)

Company	Currency exposure at 31.12.2005		Currency exposure at 31.12.2004
	US Dollar	Others	US Dollar
	RM	RM	RM
Functional currency - Ringgit Malaysia			
Deposits, cash and bank balances	42,585	17,080	281,187
Receivables			
- intragroup	10,030,376	0	9,496,340
Unhedged	10,072,961	17,080	9,777,527

(b) INTEREST RATE RISK

The Group always ensures that a cost-effective borrowing structure is maintained at all times.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arising from the Group's borrowings and deposits, and is managed through the use of fixed and floating rate debt.

The net exposure of financial assets and liabilities of the Group and Company to interest rate cash flow risk are as follows:

	Functional currency/ currency at exposure	Effective interest balance sheet date % per annum	Total carrying amount RM	Fixed interest rate	
Financial instruments				<1 year RM	1 - 5 years RM
Group					
As at 31 December 2005					
Deposits	RM/RM	3.00	16,100,000	16,100,000	0
Term loans	RM/RM	5.85	(17,500,000)	(7,500,000)	(10,000,000)
			(1,400,000)	8,600,000	(10,000,000)
As at 31 December 2004					
Deposits	RM/RM	3.00	22,000,000	22,000,000	0
Term loans	RM/RM	5.94	(25,000,000)	(7,500,000)	(17,500,000)
			(3,000,000)	14,500,000	(17,500,000)

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) INTEREST RATE RISK (CONTINUED)

Financial instruments	Functional currency/ currency at exposure	Effective interest balance sheet date % per annum	Total carrying amount RM	Fixed interest rate	
				<1 year RM	1 - 5 years RM
Company					
As at 31 December 2005					
Deposits	RM/RM	3.00	1,000,000	1,000,000	0
Term loans	RM/RM	5.85	(17,500,000)	(7,500,000)	(10,000,000)
			(16,500,000)	(6,500,000)	(10,000,000)
As at 31 December 2004					
Deposits	RM/RM	3.00	3,000,000	3,000,000	0
Term loans	RM/RM	5.94	(25,000,000)	(7,500,000)	(17,500,000)
			(22,000,000)	(4,500,000)	(17,500,000)

(c) CREDIT RISK

Credit risk is controlled by the approvals of credit application, limits, and monitoring of procedures.

Concentration of credit risk with respect to trade receivables are limited due to the Group's large number of customers, who are dispersed and have a variety of end markets in which they sell. The Group's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts of allowance for collection losses is inherent in the Group's trade receivables.

(d) LIQUIDITY, CASH FLOW RISK AND INTEREST RATE RISK

The Group always ensures that a cost-effective borrowing structure is maintained at all times.

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) FAIR VALUES (CONTINUED)

The carrying amounts of financial assets and liabilities of the Group and Company at the balance sheet date approximated their fair values except as set out below:

	Group		Company	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
As at 31 December 2005				
Investments:				
- other quoted investments	16,051,430	16,530,750	10,508,711	10,606,712
Borrowings:				
- term loans	(17,500,000)	(17,926,625)	(17,500,000)	(17,926,625)
	(1,448,570)	(1,395,875)	(6,991,289)	(7,319,913)
As at 31 December 2004				
Investments:				
- other quoted investments	10,296,074	11,019,253	6,481,577	6,717,600
Borrowings:				
- term loans	(25,000,000)	(25,559,316)	(25,000,000)	(25,559,316)
	(14,703,926)	(14,540,063)	(18,518,423)	(18,841,716)

The methods by which fair value information was determined and the significant assumptions made in its application are as follows:

- quoted shares – quoted market prices at balance sheet date.
- cash equivalents, receivables and payables with a maturity period of less than one financial year (all of which were subject to normal credit terms) – carrying value at balance sheet date.
- borrowings other than bank overdrafts – future contractual cash flows discounted at current market interest rates available for similar financial instruments.

29. CAPITAL COMMITMENTS

Capital expenditure not provided for in the financial statements are as follows:

	Group	
	2005 RM	2004 RM
Authorised by the Directors and contracted but not provided for - purchase of land	4,847,400	4,847,400
Contracted but not provided for - purchase of property, plant and equipment	2,020,000	0

30. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 24 April 2006.

STATEMENT OF SHAREHOLDINGS

AS AT 19 APRIL 2006

CLASS OF SHARES	: Ordinary Shares of RM1.00 Each
AUTHORISED SHARE CAPITAL	: RM500,000,000.00
ISSUED AND FULLY PAID-UP CAPITAL	: RM62,354,600 (out of which 2,912,300 ordinary shares of RM1.00 each are held as Treasury Shares)
VOTING RIGHTS	: One (1) Vote Per Ordinary Share
NUMBER OF HOLDERS	: 3,698

A. DISTRIBUTION OF SHAREHOLDINGS

No. of Holders	Holdings	Holdings Total	Percentage (%)
124	Less than 100 shares	5,808	0.01
963	100 to 1,000 shares	862,654	1.45
2,324	1,001 to 10,000 shares	8,175,704	13.76
255	10,001 to 100,000 shares	6,426,863	10.81
28	100,001 to less than 5% of issued shares	22,504,614	37.86
4	5% and above of issued shares	21,466,657	36.11
Total:		59,442,300	100.00

B. LIST OF 30 LARGEST SHAREHOLDERS

No	Name	No. of Shares Held	Percentage (%)
1	PANG TEE CHEW	11,576,402	19.48
2	PANG TEE SUAN (Deceased)	3,750,074	6.31
3	PANG TEE NAM	3,140,181	5.28
4	PANG TEE NAM	3,000,000	5.05
5	BUMIPUTRA-COMMERCE NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Pang Tee Chew	2,700,000	4.54
6	PANG CHIN HIN	2,513,169	4.23
7	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD Pledged Securities Account for Pang Chin Hin	2,241,666	3.77
8	PANG TEE SUAN (Deceased)	2,013,944	3.39
9	PERMODALAN NASIONAL BERHAD	1,783,333	3.00
10	PANG CHIN HIN	1,541,157	2.59
11	BUMIPUTRA-COMMERCE NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Pang Chin Hin	1,333,333	2.24
12	TIW LAN @ YONG TIW LAN	1,186,996	2.00
13	PB SECURITIES NOMINESS (TEMPATAN) SENDIRIAN BERHAD Pledged Securities Account for Mohamed Nizam bin Abdul Razak	983,333	1.65
14	TIW LAN @ YONG TIW LAN	814,886	1.37
15	PANG SOON PENG	775,000	1.30
16	WONG KIE CHIE	771,100	1.30
17	PANG SOON LUAN	768,333	1.29
18	PANG SOON WAH	628,332	1.06
19	TANAH SUBOR SDN. BHD	340,166	0.57
20	KOAY KENG HUAT	337,000	0.57

B. LIST OF 30 LARGEST SHAREHOLDERS (CONTINUED)

No	Name	No. of Shares Held	Percentage (%)
21	MALAYSIAN EXPORT CREDIT INSURANCE BERHAD	250,000	0.42
22	TUNKU OSMAN AHMAD	210,000	0.35
23	GOH LEONG CHUAN	180,000	0.30
24	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD Pledged Securities Account for Pang Soon Wah	170,000	0.29
25	MOHAMED NIZAM BIN ABDUL RAZAK	150,000	0.25
26	HSU CHENG SEN	138,333	0.23
27	UOBM NOMINEES (TEMPATAN) SDN BHD UOB-OSK Asset Management Sdn Bhd for Uni Aggressive Fund	127,500	0.21
28	TENG WOON SOON	121,000	0.20
29	PM NOMINEES (TEMPATAN) SDN BHD Malpac Management Sdn. Bhd. for Hii Tiong Kuoh	113,333	0.19
30	TCL NOMINESS (TEMPATAN) SDN. BHD. Pang Tee Chew	108,000	0.18
		43,766,571	73.61

C. LIST OF SUBSTANTIAL SHAREHOLDERS

Substantial shareholder	Ordinary shares of RM1-00 each			
	Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%
Datuk Pang Chin Hin	7,629,325 (i)	12.83	4,762,045 (ii)	8.01
Pang Tee Chew	14,384,402 (iii)	24.20	469,498 (iv)	0.79
Pang Tee Nam	6,140,181	10.33	440,164 (v)	0.74
Pang Tee Suan (Deceased)*	5,764,018	9.70	511,831 (v)	0.86

NOTES:-

- (i) 2,241,666 and 1,333,333 ordinary shares of the Company are held through Malaysia Nominees (Tempatan) Sdn. Bhd. and Bumiputra-Commerce Nominees (Tempatan) Sdn. Bhd. respectively.
- (ii) Deemed interested by virtue of his shareholding in Tanah Subor Sdn. Bhd., his wife's direct shareholding in the Company and indirect shareholding via Pacific Food Sales and Service Sdn. Bhd. and his daughters' direct shareholdings in the Company. Tanah Subor Sdn. Bhd. holds 340,166 ordinary shares in the Company and Pacific Food Sales and Service Sdn. Bhd. holds 78,332 ordinary shares in the Company.
- (iii) 2,700,000 and 108,000 ordinary shares of the Company are held through Bumiputra-Commerce Nominees (Tempatan) Sdn. Bhd. and TCL Nominees (Tempatan) Sdn. Bhd.
- (iv) Deemed interested by virtue of his shareholdings in Tanah Subor Sdn. Bhd., his wife's direct shareholdings in the Company and indirect shareholdings via Pacific Food Sales and Service Sdn. Bhd. and his daughter's and son's direct shareholdings in the Company.
- (v) Deemed interested by virtue of his shareholdings in Tanah Subor Sdn. Bhd., his wife's direct shareholdings in the Company and indirect shareholdings via Pacific Food Sales and Service Sdn. Bhd.

* As at to date, transfer of the shares under the name of Pang Tee Suan (Deceased) to his estate is still pending.

STATEMENT OF WARRANTHOLDINGS

AS AT 19 APRIL 2006

VOTING RIGHTS	:	One (1) Vote Per Warrant (In the meeting of Warrantholders)
NUMBER OF HOLDERS	:	827

A. DISTRIBUTION OF WARRANTHOLDINGS

<u>No. of Holders</u>	<u>Holdings</u>	<u>Total Holdings</u>	<u>Percentage (%)</u>
10	Less than 100 warrants	361	0.00
236	100 to 1,000 warrants	227,320	0.95
474	1,001 to 10,000 warrants	1,947,364	8.11
89	10,001 to 100,000 warrants	2,281,500	9.51
13	100,001 to less than 5% of issued warrants	5,359,792	22.33
5	5% and above of issued warrants	14,182,663	59.10
Total:		23,999,000	100.00

B. LIST OF 30 LARGEST WARRANTHOLDERS

<u>No</u>	<u>Name</u>	<u>No. of Warrants Held</u>	<u>Percentage (%)</u>
1	PANG TEE CHEW	5,580,342	23.25
2	TANAH SUBOR SDN BHD	4,476,655	18.65
3	PANG TEE SUAN (Deceased)	1,500,000	6.25
4	PANG CHIN HIN	1,425,666	5.94
5	PANG TEE NAM	1,200,000	5.00
6	PANG TEE NAM	1,146,000	4.78
7	PANG TEE SUAN (Deceased)	768,407	3.20
8	PANG CHIN HIN	723,333	3.01
9	TIW LAN @ YONG TIW LAN	571,553	2.38
10	JF APEX NOMINEES (TEMPATAN) SDN BHD		
	Lim Gaik Bway @ Lim Chiew Ah	440,000	1.83
11	PANG SOON WAH	320,000	1.33
12	PANG SOON PENG	310,000	1.29
13	PANG SOON LUAN	304,000	1.27
14	PM NOMINEES (TEMPATAN) SDN BHD		
	PCB Asset Management Sdn Bhd for Ng Faai @ Ng Yoke Pei	228,500	0.95
15	YAP SUI PHIN	180,000	0.75
16	TIW LAN @ YONG TIW LAN	133,999	0.56
17	LEE THIAN FOOK @ LEE TIAN FOOK	123,000	0.51
18	KHAW THUAN SOON	111,000	0.46
19	QUAH LI WEI	95,100	0.40
20	GINA GAN	73,000	0.30
21	SOH KOK HENG	67,000	0.28
22	TAN CHEE PENG	61,000	0.25
23	MAYBAN NOMINEES (TEMPATAN) SDN BHD		
	Pledged Securities Account for Syarikat Lui Kim Chock Sdn Bhd	60,000	0.25

B. LIST OF 30 LARGEST WARRANTHOLDERS (CONTINUED)

No	Name	No. of Warrants Held	Percentage (%)
24	M.I.T NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Evelyn Chin Yu-Min	55,200	0.23
25	PM NOMINEES (TEMPATAN) SDN BHD PCB Asset Management Sdn Bhd for Mary Tan @ Tan Hui Ngoh	53,000	0.22
26	CHEONG MUN KEI	51,000	0.21
27	YAP SUI PHIN	50,000	0.21
28	AMSEC NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Chua Siew Keng	48,000	0.20
29	CHEN LEE KEAT	47,000	0.20
30	SEAH HONG GHEE (GEE) @ CHAIR KOW	45,000	0.19
		20,247,755	84.35

STATEMENT OF DIRECTORS' INTEREST IN THE COMPANY AND RELATED CORPORATIONS

AS AT 19 APRIL 2006

THE COMPANY

A. ORDINARY SHARES & SHARE OPTION GRANTED PURSUANT TO THE EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

Directors	Ordinary Shares of RM1.00 each				No. of Options over Ordinary Shares of RM1.00 each	
	Direct Interest		Deemed Interest		Direct Interest	Deemed Interest
	No. of shares	%	No. of shares	%	No.	No.
Datuk Pang Chin Hin	7,629,325 ⁽ⁱ⁾	12.83	4,762,045 ⁽ⁱⁱ⁾	8.01	-	8,000 ⁽ⁱⁱⁱ⁾
Y.A.M. Tunku Osman Ahmad	210,000	0.35	-	-	-	-
Pang Tee Chew	14,384,402 ^(iv)	24.20	469,498 ^(v)	0.79	-	-
Pang Tee Nam	6,140,181	10.33	440,164 ^(vi)	0.74	-	-
Dato' Mohamed Nizam Bin Abdul Razak	1,133,333 ^(vii)	1.91	-	-	20,000	-
Dato' Dr. Shanmughalingam A/L Murugasu	-	-	-	-	20,000	-

NOTES:-

- (i) 2,241,666 and 1,333,333 ordinary shares of the Company are held through Malaysia Nominees (Tempatan) Sdn. Bhd. and Bumiputra-Commerce Nominees (Tempatan) Sdn. Bhd. respectively.
- (ii) Deemed interested by virtue of his shareholding in Tanah Subor Sdn. Bhd., his wife's direct shareholding in the Company and indirect shareholding via Pacific Food Sales and Service Sdn. Bhd. and his daughters' direct shareholdings in the Company. Tanah Subor Sdn Bhd holds 340,166 ordinary shares in the Company and Pacific Food Sales and Service Sdn. Bhd. holds 78,332 ordinary shares in the Company.
- (iii) Deemed interested by virtue of shares option granted under ESOS to his daughters.
- (iv) 2,700,000 and 108,000 ordinary shares of the Company are held through Bumiputra-Commerce Nominees (Tempatan) Sdn. Bhd. and TCL Nominees (Tempatan) Sdn. Bhd.
- (v) Deemed interested by virtue of his shareholdings in Tanah Subor Sdn. Bhd., his wife's direct shareholdings in the Company and indirect shareholdings via Pacific Food Sales and Service Sdn. Bhd. and his daughter's and son's direct shareholdings in the Company.
- (vi) Deemed interested by virtue of his shareholdings in Tanah Subor Sdn. Bhd., his wife's direct shareholdings in the Company and indirect shareholdings via Pacific Food Sales and Service Sdn. Bhd.
- (vii) 983,333 ordinary shares of the Company are held through PB Securities Nominees (Tempatan) Sdn. Bhd.

B. WARRANTS 1998/2008

Directors	Warrants 1998/2008			
	Direct Interest		Deemed Interest	
	No. of warrants	%	No. of warrants	%
Datuk Pang Chin Hin	2,148,999	8.95	6,116,207 (i)	25.49
Y.A.M. Tunku Osman Ahmad	-	-	-	-
Pang Tee Chew	5,580,342	23.25	4,480,655 (ii)	18.67
Pang Tee Nam	2,346,000	9.78	4,483,655 (ii)	18.68
Dato' Mohamed Nizam Bin Abdul Razak	-	-	-	-
Dato' Dr. Shanmughalingam A/L Murugasu	-	-	-	-

NOTE:

- (i) Deemed interested by virtue of warrants held by Tanah Subor Sdn. Bhd., his wife and his daughters.
- (ii) Deemed interested by virtue of warrants held by Tanah Subor Sdn. Bhd and his wife.

SUBSIDIARIES

1. MDD BEVERAGE SDN. BHD.

Directors	Ordinary Shares of RM1.00 each			
	Direct Interest		Deemed Interest	
	No.	%	No.	%
Pang Tee Nam	1	-	-	-

2. PACIFIC PLANTATIONS SDN. BHD.

Directors	Ordinary Shares of RM1.00 each			
	Direct Interest		Deemed Interest	
	No.	%	No.	%
Datuk Pang Chin Hin	6,001	0.13	20,000 (i)	0.44
Pang Tee Chew	6,002	0.13	24,000 (ii)	0.53
Pang Tee Nam	-	-	20,000 (ii)	0.44

NOTE:

- *i) Deemed interested by virtue of shares held by his wife and his daughter.
- *ii) Deemed interested by virtue of shares held by his wife.

By virtue of their interests in the shares of the Company, Datuk Pang Chin Hin, Pang Tee Chew and Pang Tee Nam are also deemed to be interested in the shares of all the subsidiaries of the Company to the extent the Company has an interest.

LIST OF PROPERTIES HELD

Location	Description	Existing Use	Approximate Age Of Building	Land Area	NBV as at 31.12.2005 (RM)
Plot 1 & Plot PT3659, Mukim Of Bukit Katil, District of Melaka Tengah, Melaka	Leasehold industrial building (99 years expiring 15.07.2070 & 27.02.2090)	Factory/Head Office	31	2.54 acres (Built up: 80,000 square feet)	4,718,097
Lot 6998S & 6999S, Bandar Ipoh, Daerah Kinta, Perak Darul Ridzuan	Freehold two-storey intermediate shophouses	Vacant	23	3,080 square feet (Built up: 2,200 square feet)	159,356
Lot PTD 10081 HS(D) 12482, Township Of Johore Bahru, Johor Darul Takzim	Freehold two-storey intermediate shophouses	Office/ Warehouse	25	1,540 square feet (Built up: 2,700 square feet)	157,406
GM 6374 PT 20705 Mukim Of Kuala Kuantan, District of Kuantan, Pahang Darul Makmur	Freehold two-storey corner terrace house	Vacant	22	2,228 square feet (Built up: 1,400 square feet)	89,525
Lot No 8177, Town of Seremban, District of Seremban, Negeri Sembilan	Freehold two-storey end-terrace shophouses	Office/ Warehouse	30	1,600 square feet (Built up: 3,060 square feet)	90,025
PT 10182 HS(D) 3990 Mukim of Kuala Kuantan, District of Kuantan, Pahang	Leasehold industrial building (66 years expiring 1.1.2045)	Factory / Office	27	5.129 acres (Built up: 48,800 square feet)	1,950,717
Lot 203 & Lot 204 Pengkalan Maju, Industrial Park, Mukim Maju Kinta, Perak	Leasehold 1 1/2 storey industrial building (99 years expiring 18.7.2092)	Office/ Warehouse	10	20,000 square feet (Built up: 7,200 square feet)	362,586
No. 9, 1130 Lane, TongPu Road, PuTuo District, Shanghai, China 200333	Leasehold 3 Storey industrial building (50 years expiring on 15/08/2050)	Office/Store	6	2,923.25 square meter (Built up: 2,102 square meter)	2,234,376
Lot PT 13 Mukim of Bukit Katil, District of Melaka Tengah, Melaka	Leasehold industrial building (99 years expiring 13.06.2071)	Factory	23	2 acres (Built up: 95,000 square feet)	2,801,492
H.S. (M) 9720, PT 11551, Sek.13, Mukim of Kajang, District Of Hulu Langat, Selangor Darul Ehsan	Leasehold industrial building (99 years expiring 23 August 2086)	Factory/ Office	18	3.08 acres	5,870,926
Lot 793 Mukim of Damansara, District of Petaling	Freehold industrial land and building	Office/ Factory/ Warehouse	11	2.87 acres (Built up: 14,094 square meter)	11,909,817

Location	Description	Existing Use	Approximate Age Of Building	Land Area	NBV as at 31.12.2005 (RM)
Lot 794 Mukim Of Damansara, District of Petaling	Freehold industrial land	Vacant		2.875 acres	2,458,608
PT 10034 HS(D) 3928, Mukim Of Kuala Kuantan, Pahang Darul Makmur	Leasehold industrial building (66 years expiring 18.07.2044)	Vacant	22	6.424 square feet (Built up: 8,721 square feet)	104,601
Lot 9 & 10 Air Keroh Industrial Estate Phase IV Air Keroh, Melaka	Leasehold industrial land (99 years expiring 24.05.2091)	Vacant		517,806 square feet	3,215,081
Luzhi Economic Development Zone, Luzhi Town Wu County, Suzhou Jiang Su Province, China 215127	Leasehold (50 years expiring 2042)	Factory/ Office		6.1216 acres	3,341,724
Level 1 Block AD, Good Year Court 10, Subang Perdana Phase 9, Selangor	Freehold Apartment	Apartment		98.50 square meter	150,256
Lot 35 Kawasan Perusahaan Pangkalan Chepa 2, Mukim Panchor, Daerah Kemumin, Seksyen 44 Kota Bahru, Kelantan	Leasehold 2 storey building (66 years expiring 19.12.2060)	Office/ Warehouse	8	62,377 square feet (Built Up: 12,509 square feet)	856,174
Lot 4338, PT 12396 Mukim Bukit Katil Daerah Melaka Tengah, Melaka	Leasehold 1 storey industrial building (expiring 30.05.2072)	Warehouse	30	150,523 square feet	6,270,850
Plot No 41 Truck Road, Pyinmabin Industrial Complex, Mingaladon Township, Htauk Kyant Yangon Myanmar	Leasehold (25 years expiring 2022)	Office/ Warehouse	8	17,011 square meter	2,114,456
Lot 259 Tebrau IV Industrial Area, JB	Leasehold industrial land (60 years expiring 31.01.2060)	Vacant		2.456 acres (106,983.36 square feet)	1,635,359
Level 2, Block P2, Good Year Court 8, Subang Perdana, Selangor	Freehold Apartment	Apartment	1	98.50 square meter	107,669
Level 3, Block N1, Good Year Court 7, Subang Perdana, Selangor	Freehold Apartment	Apartment	1	98.50 square meter	96,887

BRANCH NETWORK

ALOR SETAR

NO. 115, GROUND FLOOR
KAWASAN PERUSAHAAN TANDOP BARU
JALAN LENCONG BARAT
05000 ALOR SETAR
KEDAH DARUL AMAN
TEL : 04-7712466
FAX : 04-7712166

PENANG

PLOT 88C, PHASE 4, MUKIM 12
KAWASAN PERUSAHAAN BAYAN LEPAS
11900 PULAU PINANG
TEL : 04-643 6345/646 1129
FAX : 04-646 9032

IPOH

NO. 14, OFF JALAN PERSIARAN KILANG
PANGKALAN 28, KAWASAN PERINDUSTRIAN
PENGKALAN MAJU, 31500 PENGKALAN IPOH
PERAK DARUL RIDZUAN
TEL : 05-322 2318/9886
FAX : 05-322 9885

SUBANG JAYA

LOT 793, OFF JALAN SS 13/1K NO. 17
MUKIM DAMANSARA
47500 SUBANG JAYA
SELANGOR DARUL EHSAN
TEL : 03-5632 5588
FAX : 03-5631 0822

SEREMBAN

787, JALAN TEMIANG
70200 SEREMBAN
NEGERI SEMBILAN DARUL KHUSUS
TEL : 06-761 1850
FAX : 06-764 9451

MELAKA

LOT 1 AYER KEROH INDUSTRIAL ESTATE
75450 MELAKA
TEL : 06-232 4466-9
FAX : 06-231 2812

JOHOR BAHRU

180-180A, JALAN LEMBAH
TAMAN TASEK 80200 JOHOR BAHRU
JOHOR DARUL TAKZIM
TEL : 07- 236 6610/3
FAX : 07- 238 2917

KOTA BAHRU

LOT 35, KAWASAN PERUSAHAAN PENGKALAN CHEPA II
MUKIM PANCHOR, SEKSYEN 44
DAERAH KEMUMIN, 16100 KOTA BAHRU
16100 KOTA BAHRU
KELANTAN DARUL NAIM
TEL : 09-774 2811/6388
FAX : 09-774 1197

KUALA TERENGGANU

LOT 24674 KAWASAN PERINDUSTRIAN GONG BADAK
21300 KUALA TERENGGANU
TERENGGANU DARUL IMAN
TEL : 09-667 1968
FAX : 09-667 1695

KUANTAN

NO. 3B, JALAN IM 3/6
KAWASAN PERINDUSTRIAN INDERA MAHKOTA 3
BANDAR INDERA MAHKOTA, 25200 KUANTAN
PAHANG DARUL MAKMUR
TEL : 09-573 3177
FAX : 09-573 3616

MENTAKAB

NO. 17, JALAN SERAYA
TAMAN RIMBA
28400 MENTAKAB
PAHANG DARUL MAKMUR
TEL : 09-278 3309
FAX : 09-277 8997

SABAH

1/3 LOT 17, BLOCK C
INAMAN BUSINESS CENTRE, MILE 6, JALAN TUARAN
88450 KOTA KINABALU, SABAH
TEL : 088- 422 834
FAX : 088- 429 469

SARAWAK

LOT 7576, 1ST FLOOR, WISMA HII YII NGILIK
JALAN KWONG LEE BANK, 93450 KUCHING, SARAWAK
TEL : 082- 337 166
FAX : 082- 334 391

PROXY FORM

MAMEE-DOUBLE DECKER (M) BERHAD

(Incorporated in Malaysia - Co. No. 222363-T)

I/We _____ of _____

being a member/members of MAMEE-DOUBLE DECKER (M) BERHAD do hereby appoint _____

(IC.No. _____)

of _____ or failing him, _____ (IC.No. _____) of

_____ as my/our proxy to vote for me/us on my/our behalf at the Fifteenth Annual General

Meeting of the Company to be held on Tuesday, 6 June 2006 at 10.00 a.m. at Club Board Room, Club House, Sofitel Palm

Resort, Jalan Persiaran Golf, Off Jalan Jumbo, 81250 Senai, Johor and at any adjournment thereof.

No.	RESOLUTION	FOR	AGAINST
1	Receipt of Audited Financial Statements and Reports.		
2	Re-appointment of Director - Datuk Pang Chin Hin		
3	Re-appointment of Director - Y.A.M. Tunku Osman Ahmad		
4	Re-election of Director - Mr. Pang Tee Chew		
5	Approval of Directors' Fees.		
6	Declaration of Final Dividend.		
7	Re-appointment of Messrs PricewaterhouseCoopers as Auditors		
Special Business:			
8	Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965.		
9	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions with PT Pacific Food Indonesia.		
10	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions with Yang-Yang Co. Ltd.		
11	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions with Myanmar Mamee-Double Decker Ltd.		
12	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions with Mamee-Double Decker Foods (Suzhou) Co Ltd.		
13	Proposed Renewal of Shareholders' Mandate for Proposed Share Buy-Back by the Company.		

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

Number of shares held

Dated this _____ day of _____ 2006.

Signature of Member/Members

Note:

1. A member 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.
2. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same Meeting.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
4. Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991 it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where the Proxy Form is executed by a corporation, it must be either under its Common Seal or under the hand of an officer or attorney duly authorised.
6. The Proxy Form must be deposited with the Company Secretary at the Registered Office, Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor Darul Takzim not less than 48 hours before the time set for the Meeting.

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AFFIX
STAMP
HERE

**THE COMPANY SECRETARY
MAMEE-DOUBLE DECKER (M) BERHAD**

(Co. No. 222363 - T)

Suite 1301, 13th Floor, City Plaza, Jalan Tebrau,
80300 Johor Bahru, Johor Darul Takzim.

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Mamee-Double Decker (M) Berhad (222363-T)

Lot 1, Air Keroh Industrial Estate, 75450 Melaka, Malaysia. Tel: 606 232 4466 - 9 (4 lines) Fax: 606 232 9696
Email: mdd@tm.net.my Web: www.mamee.com Export Dept: Fax: 606 231 6097 Email: export@tm.net.my