

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of a venture capital investment holding company.

The principal activities of the subsidiaries are described in Note 5 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
(Loss)/profit for the year	(31,003)	62,899
Attributable to:		
Equity holders of the Company	(8,571)	62,899
Minority interests	(22,432)	–
	(31,003)	62,899

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

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

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2010 were as follows:

In respect of the financial year ended 31 December 2010:

	RM'000
Interim tax exempt dividend of 8 sen per share on 300,000,000 ordinary shares, paid on 11 January 2011.	24,000

An interim tax exempt dividend of 8 sen per share on 300,000,000 ordinary shares, amounted to RM24,000,000 has been declared on 1 December 2011 in respect of the financial year ended 31 December 2011. This dividend has been paid subsequently on 25 January 2012.

The director do not recommend any final tax exempt dividend in respect of the financial year ended 31 December 2011.

DIRECTORS

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

Tan Sri Dr. Abdul Samad bin Haji Alias

Dato' Mohd Zafer bin Mohd Hashim

Datin Husniarti binti Tamin

Eshah binti Meor Suleiman

Dato' Ir. Abdul Rahim bin Abu Bakar

Taufiq Ahmad @ Ahmad Mustapha bin Ghazali

A Ghani bin Ishak

Abdul Aziz bin Ishak

Rashidah binti Mohd Sies

(Alternate Director to Eshah binti Meor Suleiman)

(deceased on 21 March 2011)

(appointed on 26 January 2012)

(appointed on 20 April 2011)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, none of the directors in office at the end of the financial year had any interest in shares in the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregated amount of emoluments received or due and receivable by the directors as shown in Note 22 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Group and of the Company; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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(CONT'D)

OTHER STATUTORY INFORMATION (cont'd)

- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

Significant events during the year are as disclosed in Notes 6 and 7 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 February 2012.

Tan Sri Dr. Abdul Samad bin Haji Alias

Dato' Mohd Zafer bin Mohd Hashim