

Statement on corporate governance

The Malaysian Code on Corporate Governance [the 'Code'] sets out the principles and best practices on structures and processes used to direct and manage the business and affairs of the Company towards enhancing corporate accountability with the objective of realising long-term shareholder value, whilst taking into account the interests of other stakeholders.

The Board of Directors is committed to ensuring that the highest standards of corporate governance are practised throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the performance of the Group.

The Board is pleased to report to the shareholders on the manner the Company has applied the principles of good corporate governance and the extent of compliance with the Best Practices of Good Governance as set out in the Code throughout the year ended 31 December 2007.

Board of directors

Board responsibilities

The Board retains full and effective control of the Group. This includes responsibilities for determining the Group's overall strategic directions as well as development and control of the Group.

The Board reviews and approves the short-term budgets and long-term strategies for the Group. In addition, all acquisitions, major capital expenditure and disposal of investments would have to be approved by the Board. The Board has established the authority limits for Management to manage the business of the Group.

The Directors, collectively, have a wide range of relevant experience to enable them to discharge their responsibilities effectively.

The Board, together with the Audit Committee, reviews internal control and risk management systems within the organisation in ensuring the custody and effective and efficient utilisation of Group assets. The Board is chaired by a Non-Independent Non-Executive Director and the management of the Group lies with the Group Managing Director. The roles of the Chairman and Group Managing Director are separated and clearly defined. As part of good corporate governance, the Chairman is responsible for ensuring

board effectiveness and conduct. He encourages a healthy debate on issues raised at meetings, gives opportunity to directors who wishes to speak on the motions, either for or against them. Every Board resolution is then put to a vote which would reflect the collective decision of the Board and not the views of an individual or an interested group. The Group Managing Director oversees the day-to-day running of the business including organisational effectiveness, implementation of Board policies and strategies and clarifying matters relating to the Group's business to the Board. The Group Managing Director's in-depth and intimate knowledge of the Group's affairs contribute significantly towards the direction of the Group to achieve its goals and objectives.

The Company has in place a succession planning programme which inter alia includes appointing, training, fixing of compensation and replacing senior management of the Group.

Composition

The Group considers that its complement of Non-Executive Directors provide an effective Board with a mix of industry specific knowledge and broad business and commercial experience. The presence of Independent Non-Executive Directors is particularly important in corporate accountability. The Independent Non-Executive Directors provide unbiased and independent views, advice and judgment in ensuring that the strategies proposed by the management are truly deliberated and examined, taking into account the long term interest of the Group, shareholders, employees, customers and the business communities in which the Group conducts its business. This balance enables the Board to provide clear and effective leadership to the Group and to bring informed and independent judgement to many aspects of the Group's strategies and performance so as to ensure that the highest standards of conduct and integrity are maintained.

The Board, as at 31 December 2007, consists of 9 directors, of whom one [1] is an Executive Director, and four [4] out of the eight [8] Non-Executive Directors are independent. Dato' N.Sadasivan is the Senior Independent Non-Executive Director of the Company. A brief profile of each Director is presented on pages 031 to 036 of the Annual Report.