

# ADOPTING THE RIGHT

## strategies and systems to create value

Creating Value is the thin line that divides good companies from great companies. Our cynosure for creating value focuses on continuous investments in new products and services that enables us to stay ahead of our competition. Employees are now held to far greater levels of accountability for ensuring all new projects earn well in excess of the cost of capital thus creating sustainable value for TH Group investments - Investments that provide profit sustainability, growth opportunities and employee accountability.



### PENGAMALAN STRATEGI & SISTEM yang tepat untuk membentuk nilai

Pembentukan nilai sesungguhnya membezakan syarikat yang baik daripada yang unggul. Tumpuan pembentukan nilai kami mengutamakan pelaburan berterusan dalam produk dan perkhidmatan terkini supaya kami boleh menerajui industri ini. Para pekerja pula dipertanggungjawabkan pada tahap yang lebih tinggi untuk memastikan semua projek baru membawa pulangan yang lebih tinggi daripada modal kos, justeru membentuk nilai terjamin untuk pelaburan-pelaburan TH Group – Pelaburan-pelaburan yang menjamin keuntungan, perkembangan dan tanggungjawab terhadap para pekerja.

## STATEMENT ON CORPORATE GOVERNANCE

### Directors' Commitment to Good Corporate Governance

The Board of Directors of TH Group fully subscribes to the principles and recommendations embodied in the Malaysian Code of Corporate Governance (Code) and strives to achieve the highest standards of corporate governance.

The Group believes in certain core values and principles in the conduct and management of its businesses in line with its corporate vision and mission. Our core values are premised on the following:

- (a) People – we consider information sharing and open communication as key for achieving our goals. All employees have the right and are encouraged to actively communicate with superiors and colleagues. Two-way communication is also an essential part of regular and informal feedback and performance reviews.
- (b) Process – we develop our processes based on certain underlying foundations. Innovation across all aspects of our business is an integral part of our business approaches. We consider change as an opportunity and encourage everyone in the Group to be open to new ideas.
- (c) Organisation – we help our employees to understand the needs of the Group and encourage them to question the status quo, where applicable. We are committed to quality services and products, and employees have the flexibility to manage change.

Hence, the Board of Directors is highly committed in ensuring that the highest standards of corporate governance are practised throughout TH Group in the best interest of all stakeholders.

The following statement outlines the principles of corporate governance and best practices as set out in Part 1 and Part 2 of the Malaysian Code on Corporate Governance respectively being applied to the Group for the financial year ended 31 December 2005:

### Key Responsibilities

The Board determines the Group's long-term direction and strategies, monitors the achievement of business objectives and ensures that the Group meets its

responsibilities to shareholders, customers and other stakeholders.

The Board, either through itself or the various committees it had established, has a number of matters reserved for its consideration, with principal responsibilities being to approve the Group's operational and capital budgets, overall strategy, investments, financial statements and major acquisitions and disposals.

The Board also monitors the performance of the Group and ensures that proper and sound risk management practices and internal controls are in place.

### Board Balance

The current Board of seven members comprises an Independent and Non-Executive Chairman, three Independent Non-Executive Directors, two Non-Independent Non-Executive Directors and an Executive Director, details of whom are set out in the Profile of Board of Directors.

The roles of the Chairman and the Group Managing Director, as the Chief Executive Officer of the Company, are separate and their responsibilities are clearly defined to ensure a clear segregation of duties and authority.

Two members of the Board are substantial shareholders of the Company. To ensure a proper balance in the Board representation the majority of the Board is constituted by Independent Non-Executive Directors. All the Independent Directors have declared themselves to be independent of management and free of any relationship that could materially interfere with their judgement.

### Supply Of Information

All Directors have full and timely access to relevant information such as Board meeting papers distributed in advance of each meeting with the aim of enabling the Directors to make informed decisions. The Company Secretaries are also available at all times to provide the Directors with appropriate advice and services including compliance with the rules and regulations of the relevant authorities. Directors are entitled to get relevant information from senior management, including independent professional advice, to help them in their deliberations and decision-making.

### Appointments to the Board

The Nomination Committee has been tasked to assist the Board to evaluate and recommend candidates for appointments to the Board. Pursuant to the Company's Articles of Association, at least one-third of the Directors for the time being shall retire from office provided always that all Directors shall also retire from office at least once in three years but shall be eligible for re-election.

### Conflict of Interests

All the Non-Independent Directors have interest, direct or indirect, in certain companies that have recurrent related party transactions (reviewed by the Audit Committee) with the Company and Group. They have declared their interest and disclosure have been made under 'Other Disclosures' in this Annual Report. A shareholders' mandate on the recurrent related party transactions was obtained at the last Annual General Meeting and the Company will be seeking an annual mandate from shareholders during the forthcoming Annual General Meeting on 1 June 2006.

### Attendance At Board Meetings held during the financial year ended 31 December 2005:

Date of Meeting	26/2/05	3/5/05	16/8/05	26/8/05	9/11/05	Total
Abu Bakar Bin Abdul Karim	•	•	•	•	•	5/5
Lei Lin Thai	•	•	•	•	•	5/5
Wong Ah Kow	•	•	•	•	•	5/5
Tam Kam Too	•	•	•	•	•	5/5
Michael Ting Sii Ching	•	•	•	•	•	5/5
Tunku Ahmad Burhanuddin Bin Tunku Datuk Seri Adnan (Resigned on 31 December 2005)	•	•	•	•	•	5/5
Rohana Tan Sri Mahmood	•	•	•	•	•	5/5

All of the above meetings were held in Kuala Lumpur. All the Directors, except for Mr. Michael Ting, attended the 16th Annual General Meeting held on 28 April 2005.

### Relationships

Other than Lei Lin Thai and Tam Kam Too, who are brothers-in-law, there is no other family relationship between any Director and/or substantial shareholder of the Company.

certain of its responsibilities to the Board Committees as described below with clearly defined terms of reference.

### Training

All Directors, except one have completed the required Continuing Education Programme (CEP) implemented by Bursa Malaysia Securities Berhad during the year. Extension of time is sought for the Director who has yet to accumulate the required points in respect of the CEP.

### (a) Executive Committee

The objective of the Executive Committee is to speed up the decision making process for the Group so as to improve on the efficiency and effectiveness in carrying out routine operational and administrative duties. This Committee is responsible for approving the Group's operating policies and procedures, delegation of authority in accordance with Group policies, operational and administrative matters, opening of bank accounts and all financial arrangements, acquisition and disposal of non-substantial assets and operating contracts not exceeding a certain value and budget. Although there was no meeting held during the year, key

### Board Committees

The Board assumes accountability for effective stewardship and control of the Group and delegates

## STATEMENT ON CORPORATE GOVERNANCE

issues were referred to and approved by the Committee via circular resolutions.

**(b) Audit Committee**

The Audit Committee's membership, principal terms of reference and attendance at meetings are set out in the Audit Committee Report.

**(c) Nomination Committee**

The principal objectives of the Nomination Committee are to assist the Board in its responsibilities of nominating new nominees to the Board and to assess the performance of the Directors of the Company and its subsidiaries on an on-going basis. The duties and responsibilities of the Nomination Committee include reviewing annually the skills, experience and effectiveness of each member of the Board, recommending candidates for directorships and recommending nominees to fill the seats on the board committees. The majority of members of the Nomination Committee are Independent and Non-Executive Directors.

The term of office of the Nomination Committee shall be for a period of three years and members may be re-nominated and re-appointed by the Board of Directors. During the year, the Committee held one meeting.

**(d) Remuneration Committee**

The principal objectives of the Remuneration Committee are to assist the Board in its responsibilities of assessing the remuneration packages of the Directors. The duties and responsibilities of the Remuneration Committee include ensuring that levels of remuneration are sufficiently attractive to retain Directors and structuring the remuneration packages to link rewards to corporate and individual performance. The majority of members of the Remuneration Committee are Non-Executive Directors.

The term of office of this Committee shall be for a period of three years and members may be re-nominated and re-appointed by the Board of Directors. During the year, the Committee held two meetings.

**(e) Investment Committee**

The Investment Committee was formed to evaluate all the investment proposals including mergers, acquisitions, and disposals of assets or businesses, investments into new businesses including venture capital, quoted securities and derivatives. This Committee has been given the authority by the Board to approve investment proposals that meet pre-determined criteria. All other investment proposals that require Board approval must be reviewed by this Committee.

The Committee comprises members of the Board. During the year, the Committee held two meetings.

**(f) Risk Management Committee**

The Risk Management Committee was formed to assist the Audit Committee in ensuring an effective process of continuous identification, assessment and management of risks. This Committee reviews the overall Group risk profiles before submission to Audit Committee and Board for approval.

The Committee comprises members of the Board and senior management of the Group. During the year, the Committee held two meetings.

**(g) Budget Committee**

The Budget Committee was formed to assist the Board in deliberating, reviewing and evaluating the budgets of the Group's operating subsidiaries prior to their submission to the Board for approval.

The Committee comprises members of the Board and senior management of the Group.

**(h) ESOS Committee**

The ESOS Committee was formed to administer the employees' share option scheme of the Group. This Committee was given the authority by the Board to set out the policies and to implement the scheme in accordance with the provisions of the ESOS By-Laws.

Currently, the Committee comprises a Director who shall be the Chairman of the Committee and a representative each from all core business activities of the Group. During the year, the Committee held one meeting.

## STATEMENT ON CORPORATE GOVERNANCE

**Directors' Remuneration**

The Directors' fees for the year under review have been endorsed by the Board for approval by the shareholders

of the Company at the forthcoming Annual General Meeting. The aggregate and range of remuneration of Directors for the financial year ended 31 December 2005 are as follows:

**Aggregate Of Remuneration**

	<b>Total (RM)</b>	<b>Executive Director (RM)</b>	<b>Non-Independent Non-Executive Directors (RM)</b>	<b>Independent Non-Executive Directors (RM)</b>
Fees	291,000	-	36,000	255,000
Salaries	816,000	576,000	240,000	-
Bonus	300,000	240,000	60,000	-
EPF & Socso	36,000	-	36,000	-
<b>Total</b>	<b>1,443,000</b>	<b>816,000</b>	<b>372,000</b>	<b>255,000</b>

**Aggregate Of Remuneration**

	<b>Total</b>	<b>Executive Director</b>	<b>Non-Independent Non-Executive Directors</b>	<b>Independent Non-Executive Directors</b>
0 to RM50,000	4	-	1	3
RM50,001 to RM100,000	-	-	-	-
RM100,001 to RM300,000	2	-	1	1
RM300,001 to RM500,000	-	-	-	-
RM500,001 to RM700,000	1	1	-	-
<b>Total</b>	<b>7</b>	<b>1</b>	<b>2</b>	<b>4</b>

**Investor Relations**

The Company has established several investor relations programmes through the Public Affairs Unit. The Group Managing Director and the management are accessible by the media and the investing community. All enquiries can be directed to the following persons:

- (a) Lei Lin Thai  
Group Managing Director at  
*llei@thgroup.com.my*; or
- (b) Susie Chai  
Head of Public Affairs Unit at  
*susiechai@thgroup.com.my*

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## (i) Relationship with Shareholders

The Board of Directors values the importance of communication with shareholders. The Group hold periodic briefings with fund managers, institutional investors and investment analysts and press releases are also made available to brief members of the media on key events of the Group. Investors' and analysts' feedback are sought to ensure principal issues are being effectively communicated. In addition, shareholders are encouraged to provide feedback directly to the Chairman of the Company at [abk@thgroup.com.my](mailto:abk@thgroup.com.my).

All shareholders are encouraged to attend and participate in general meetings. Information on the Group is readily available at <http://www.thgroup.com.my> and all public announcements are posted on the Bursa Malaysia website.

## (ii) Relations with holders of Al-Bai' Bithaman Ajil Islamic Debt Securities (BAIDS)

The Board of Directors values the importance of good relationship with the holders of its BAIDS and ensures that they are updated on the progress of the Group. Public documents issued to shareholders of the Company are made available to their trustees, who act on behalf of the BAIDS holders.

## (iii) Relationship with holders of Warrants

In accordance with the Deed Poll, holders of the Company's Warrants are entitled to a copy of

public documents issued to the shareholders of the Company upon written requests and payment of such costs prescribed by the Company from time to time as approved by the Bursa Malaysia.

**Accountability and Audit**

## (i) Financial Reporting

Statements explaining the Directors' responsibilities for preparing the Company's financial statements are set out in the Statement of Directors' Responsibilities on page 57 of the Annual Report.

## (ii) Internal Control

The Board acknowledges its overall responsibility in ensuring a proper system of internal control to safeguard the interests of the various stakeholders of the Group. This is elaborated in the Statement of Internal Control on pages 65 to 66 of the Annual Report.

## (iii) Relationship with Auditors

The Board of Directors through the Audit Committee maintains formal and transparent arrangements in the review of the external auditors' plan and report, internal control issues and procedures and the assistance given by the management to the external auditors. The Audit Committee's terms of reference and activities for the financial year are set out in pages 59 to 61 of this Annual Report.

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

## PENYATA TADBIR URUS KORPORAT

### Komitmen Para Pengarah terhadap Urus Tadbir Korporat Terbaik

Lembaga Pengarah TH Group mengamalkan prinsip-prinsip dan saranan-saranan yang terkandung di dalam Kod Urus Tadbir Korporat Malaysia (KOD) dengan sepenuhnya dan berusaha untuk mencapai tahap tertinggi amalan urus tadbir korporat.

TH Group yakin pada nilai-nilai dan prinsip-prinsip asas tertentu dalam budi pekerti dan pengurusan perniagaannya seiring dengan visi dan misi korporatnya. Nilai-nilai asal kami berasaskan yang berikut:

- (a) Pekerja – kami percaya perkongsian maklumat dan komunikasi terbuka sebagai kunci untuk mencapai matlamat kami. Kesemua kakitangan kami berhak dan digalakkan untuk berinteraksi secara aktif dengan pihak pengurusan dan rakan sekerja mereka. Komunikasi dwi-hala juga adalah sebahagian utama maklum balas tidak rasmi dan ulasan prestasi yang lazim.
- (b) Proses – kami membentuk perkembangan kumpulan berdasarkan pendirian asas tertentu. Inovasi adalah sebahagian utama amalan perniagaan kami yang merangkumi segala urusan kami. Kami berpendapat perubahan sebagai peluang perkembangan dan menggalakkan kesemua pekerja di Kumpulan supaya berfikiran terbuka kepada idea-idea baru.
- (c) Organisasi – kami membantu para pekerja kami memahami keperluan Kumpulan dan menggalakkan mereka menyoal akan amalan terkini Kumpulan, di mana patut. Kami tekad terhadap perkhidmatan dan produk berkualiti, dan para pekerja sesungguhnya memiliki keupayaan untuk membawa perubahan.

Justeru itu, Lembaga Pengarah sesungguhnya tekad dalam memastikan bahawa hanya urus tadbir korporat yang terbaik diamalkan di keseluruhan TH Group demi kepentingan kesemua pemegang hak Kumpulan.

Penyata berikut menggariskan prinsip-prinsip urus tadbir korporat dan amalan terbaik sepertimana ditetapkan di Bahagian 1 dan 2 Kod Urus Tadbir

Korporat Malaysia sebagaimana diamalkan oleh Kumpulan untuk tahun kewangan berakhir 31 Disember, 2005:

### Tanggungjawab Utama

Lembaga Pengarah menentukan haluan dan strategi masa depan Kumpulan dan meneliti pencapaian matlamat perniagaan dan memastikan Kumpulan memenuhi tanggungjawabnya terhadap para pemegang saham, pelanggan dan juga lain-lain pemegang hak Kumpulan.

Lembaga secara sendiri atau menerusi pelbagai jawatankuasa tubuhnya, mempunyai beberapa perkara yang perlu dipertimbangkan. Tanggungjawab utamanya adalah untuk meluluskan perbelanjaan operasi dan modal Kumpulan, strategi keseluruhan, pelaburan, penyata kewangan serta pemerolehan dan pelupusan utama.

Lembaga juga mengawasi prestasi Kumpulan dan memastikan bahawa pengurusan risiko dan kawalan dalaman yang baik diamalkan.

### Komposisi Lembaga

Lembaga kini diwakili oleh tujuh orang ahli yang terdiri daripada seorang Pengerusi Bebas Bukan Eksekutif, tiga Pengarah Bebas Bukan Eksekutif, dua Pengarah Bukan Bebas Bukan Eksekutif dan seorang Pengarah Eksekutif. Butiran mereka dinyatakan di bawah Profil Lembaga Pengarah.

Peranan Pengerusi dan Pengarah Urusan Kumpulan sebagai Ketua Pegawai Eksekutif adalah berasingan dan tanggungjawab mereka telah ditakrifkan dengan jelas untuk memastikan perbezaan tugas dan kuasa yang jelas.

Dua ahli Lembaga adalah pemegang saham utama Syarikat. Untuk memastikan imbalan yang sesuai dalam perwakilan Lembaga, majoriti Lembaga terdiri daripada Pengarah Bebas Bukan Eksekutif. Kesemua Pengarah Bebas telah mengisytiharkan kedudukan mereka sebagai bebas daripada pihak pengurusan dan bebas daripada sebarang hubungan yang mungkin mempengaruhi keputusan-keputusan mereka.

### Pembekalan Maklumat

Kesemua Pengarah memiliki hak penuh dan tepat pada masanya terhadap maklumat berkaitan seperti kertas mesyuarat Lembaga yang diedarkan sebelum mesyuarat dengan tujuan membolehkan para Pengarah membuat keputusan yang bermaklumat. Para Setiausaha Syarikat juga sedia ada pada setiap masa untuk memberikan nasihat dan perkhidmatan yang tepat termasuk pematuhan kepada syarat-syarat dan peraturan-peraturan pihak berkuasa berkenaan. Para Pengarah berhak mendapatkan maklumat berkaitan daripada pengurusan kanan, termasuk nasihat

profesional bebas untuk membantu pertimbangan dan perihal membuat keputusan.

### Perlantikan Lembaga

Jawatankuasa Pencalonan telah diberi tugas membantu Lembaga menilai dan mengesyorkan calon-calon untuk pelantikan ke Lembaga Pengarah. Selaras dengan Tataurusan Pertubuhan Syarikat, sekurang-kurangnya satu pertiga daripada para Pengarah pada masa ini harus meletak jawatan dengan syarat kesemua para Pengarah tertakluk kepada persaraan dan pelantikan semula sekurang-kurangnya sekali setiap tiga tahun.

### Kehadiran Mesyuarat Lembaga yang diadakan semasa tahun kewangan berakhir pada 31 Disember 2005:

Tarikh Mesyuarat	26/2/05	3/5/05	16/8/05	26/8/05	9/11/05	Jumlah
Abu Bakar Bin Abdul Karim	•	•	•	•	•	5/5
Lei Lin Thai	•	•	•	•	•	5/5
Wong Ah Kow	•	•	•	•	•	5/5
Tam Kam Too	•	•	•	•	•	5/5
Michael Ting Sii Ching	•	•	•	•	•	5/5
Tunku Ahmad Burhanuddin Bin Tunku Datuk Seri Adnan (Bersara pada 31 Disember 2005)	•	•	•	•	•	5/5
Rohana Tan Sri Mahmood	•	•	•	•	•	5/5

Kesemua mesyuarat di atas telah diadakan di Kuala Lumpur. Kesemua para Pengarah, kecuali Encik Michael Ting telah menghadiri Mesyuarat Agung Tahunan ke 16 yang telah diadakan pada 28 April 2005.

### Konflik Kepentingan

Kesemua Pengarah Bukan Bebas memiliki kepentingan, langsung atau tidak dalam syarikat-syarikat tertentu yang mempunyai urusan berulang (dikaji semula oleh Jawatankuasa Audit) berkaitan dengan Syarikat dan TH Group. Mereka telah menyatakan kepentingan mereka dan pendedahan telah dibuat di bawah "Lain-lain Pendedahan" dalam Laporan Tahunan ini. Perintah pemegang saham telah diperolehi berkaitan urusan parti berulang di Mesyuarat Agung Tahunan yang lepas dan Syarikat akan berusaha mendapatkan perintah tahunan daripada para pemegang saham di Mesyuarat Agung Tahunan yang akan datang pada 1 Jun 2006.

### Perhubungan

Selain daripada Lei Lin Thai dan Tam Kam Too merupakan adik-beradik ipar, tiada sebarang perhubungan keluarga di antara para Pengarah dan/atau pemegang saham utama Syarikat.

### Latihan

Kesemua para Pengarah kecuali satu telah melengkapkan Program Pendidikan Terusan (CEP) wajib yang dilaksanakan oleh Bursa Malaysia Securities Berhad pada tahun semasa. Masa tambahan telah diminta untuk Pengarah yang belum lagi mengutip mata yang diwajibkan oleh CEP.

### **Jawatankuasa-jawatankuasa Lembaga Pengarah**

Lembaga menyandang tanggungjawab ke atas pengurusan efektif dan kawalan Kumpulan, dan mengamanahkan tanggungjawab-tanggungjawab tertentu kepada Jawatankuasa Lembaga dengan garis panduan yang jelas sepertimana diterangkan di bawah:

#### **(a) Jawatankuasa Eksekutif**

Matlamat Jawatankuasa Eksekutif adalah untuk mempercepatkan proses membuat keputusan Kumpulan supaya meningkatkan kecekapan dan keberkesanan dalam menjalankan tugas operasi dan pentadbiran harian. Jawatankuasa ini bertanggungjawab meluluskan polisi operasi dan prosedur Kumpulan, pengamanahan kuasa selaras dengan polisi Kumpulan, perkara berkaitan operasi dan pentadbiran, pembukaan akaun bank dan segala pengurusan kewangan, pemerolehan dan pelupusan aset bukan utama dan urusan kontrak tidak melebihi nilai dan perbelanjaan tertentu. Walaupun tiada sebarang mesyuarat penting diadakan sepanjang tahun, isu-isu utama telah dirujuk dan diluluskan oleh Jawatankuasa menerusi surat pengumuman resolusi dalaman.

#### **(b) Jawatankuasa Audit**

Keahlian Jawatankuasa Audit, garis panduan utama dan kehadiran mesyuarat diterangkan di Laporan Jawatankuasa Audit.

#### **(c) Jawatankuasa Pencalonan**

Matlamat utama Jawatankuasa Pencalonan adalah untuk membantu Lembaga dalam tanggungjawabnya mencalonkan calon-calon baru untuk keahlian Lembaga dan untuk menilai prestasi para Pengarah Syarikat dan subsidiarinya secara berterusan. Tugas dan tanggungjawab Jawatankuasa Pencalonan termasuk ulasan tahunan kepakaran, pengalaman dan keberkesanan setiap ahli Lembaga, pengesyoran untuk jawatan Pengarah dan pencalonan ahli-ahli Jawatankuasa Lembaga. Majoriti ahli Jawatankuasa Pencalonan adalah Pengarah-pengarah Bebas Bukan Eksekutif.

Jangka masa jawatan untuk Jawatankuasa Pencalonan adalah untuk tempoh tiga tahun dan ahli-ahli bolehlah dicalonkan dan dilantik semula oleh Lembaga Pengarah. Jawatankuasa Pencalonan telah mengadakan satu mesyuarat sepanjang tahun ini.

#### **(d) Jawatankuasa Imbuan**

Matlamat utama Jawatankuasa Imbuan adalah untuk membantu Lembaga Pengarah dalam menilai pakej imbuan para Pengarah. Tugas dan tanggungjawab Jawatankuasa Imbuan termasuk memastikan tahap imbuan adalah cukup menarik untuk mengekalkan para Pengarah dan membentuk pakej imbuan yang mengaitkan ganjaran kepada prestasi korporat dan individu. Majoriti ahli-ahli Jawatankuasa Imbuan adalah Pengarah Bukan Eksekutif.

Jangka masa jawatan untuk Jawatankuasa Imbuan adalah untuk tempoh tiga tahun dan ahli-ahli bolehlah dicalonkan dan dilantik semula oleh Lembaga Pengarah. Jawatankuasa Imbuan telah mengadakan dua mesyuarat sepanjang tahun ini.

#### **(e) Jawatankuasa Pelaburan**

Jawatankuasa Pelaburan telah ditubuhkan untuk menilai segala cadangan pelaburan termasuk penyatuan, pemerolehan dan kelupusan aset atau perniagaan, pelaburan dalam perniagaan baru termasuk modal usaha niaga, sekuriti tersebut harga dan terbitan. Jawatankuasa ini telah diberi kuasa oleh Lembaga Pengarah untuk memberi kelulusan kepada cadangan-cadangan pelaburan yang mematuhi keperluan-keperluan yang telah ditentukan. Kesemua cadangan pelaburan yang memerlukan kelulusan Lembaga mestilah dikaji oleh Jawatankuasa ini.

Jawatankuasa ini terdiri daripada ahli-ahli Lembaga. Jawatankuasa Pelaburan telah mengadakan dua mesyuarat sepanjang tahun ini.

#### **(f) Jawatankuasa Pengurusan Risiko**

Jawatankuasa Pengurusan Risiko ditubuhkan untuk membantu Jawatankuasa Audit dalam memastikan keberkesanan proses mengenalpasti berterusan, penilaian dan pengurusan risiko. Jawatankuasa ini mengkaji semula segala profil risiko Kumpulan sebelum dipersembahkan kepada Jawatankuasa Audit dan Lembaga Pengarah untuk kelulusan.

Jawatankuasa ini terdiri daripada ahli-ahli Lembaga dan pengurusan kanan Kumpulan. Jawatankuasa Pengurusan Risiko telah mengadakan dua mesyuarat sepanjang tahun ini.

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**(g) Jawatankuasa Bajet**

Jawatankuasa Bajet telah ditubuhkan untuk membantu Lembaga dalam mempertimbangkan, mengkaji semula dan menilai perbelanjaan pengurusan subsidiari Kumpulan sebelum dipersembahkan kepada Lembaga untuk kelulusan.

Jawatankuasa terdiri daripada ahli Lembaga Pengarah dan pengurusan kanan Kumpulan.

**(h) Jawatankuasa Opsyen Saham (ESOS)**

Jawatankuasa Opsyen Saham atau ESOS telah ditubuhkan untuk menyelenggarakan skim opsyen saham kakitangan Kumpulan. Jawatankuasa ini telah diberi kuasa oleh Lembaga untuk mengurus dan

melaksanakan skim ini selaras dengan peruntukkan undang-undang kecil ESOS.

Jawatankuasa ini pada masa ini terdiri daripada seorang Pengarah yang akan memegang jawatan sebagai Pengerusi Jawatankuasa dan juga wakil dari setiap aktiviti perniagaan teras Kumpulan. Pada tahun ini, Jawatankuasa telah mengadakan satu mesyuarat.

**Imbuan Pengarah**

Imbuan para Pengarah untuk tahun semasa telah disahkan oleh Lembaga untuk kelulusan pemegang-pemegang saham Syarikat pada Mesyuarat Agung Tahunan yang akan datang. Agregat dan ukurnilai imbuan para Pengarah untuk tahun kewangan berakhir 31 Disember 2005 adalah seperti berikut:

**Imbuan Agregat**

	Jumlah (RM)	Pengarah Eksekutif (RM)	Pengarah Bukan Bebas Bukan Eksekutif (RM)	Pengarah Bebas Bukan Eksekutif (RM)
Yuran	291,000	-	36,000	255,000
Gaji	816,000	576,000	240,000	-
Bonus	300,000	240,000	60,000	-
EPF & Socso	36,000	-	36,000	-
<b>Jumlah</b>	<b>1,443,000</b>	<b>816,000</b>	<b>372,000</b>	<b>255,000</b>

**Imbuan Agregat**

	Jumlah	Pengarah Eksekutif	Pengarah Bukan Bebas Bukan Eksekutif	Pengarah Bebas Bukan Eksekutif
0 hingga RM50,000	4	-	1	3
RM50,001 hingga RM100,000	-	-	-	-
RM100,001 hingga RM300,000	2	-	1	1
RM300,001 hingga RM500,000	-	-	-	-
RM500,001 hingga RM700,000	1	1	-	-
<b>Jumlah</b>	<b>7</b>	<b>1</b>	<b>2</b>	<b>4</b>

### Perhubungan Pelabur

Syarikat telah menubuhkan beberapa program perhubungan pelabur menerusi Unit Hal Ehwal Awamnya. Pengarah Urusan Kumpulan dan pihak pengurusan senang dihubungi oleh pihak media dan masyarakat pelabur. Segala pertanyaan boleh ditujukan kepada mereka yang berikut:

- (a) Lei Lin Thai  
Pengarah Urusan Kumpulan di  
*ltlei@thgroup.com.my*; atau
- (b) Susie Chai  
Ketua Unit Hal Ehwal Awam di  
*susiechai@thgroup.com.my*
- (i) Hubungan dengan Pemegang-pemegang Saham Lembaga Pengarah menghargai kepentingan berkomunikasi dengan pemegang-pemegang saham. Kumpulan mengadakan perbincangan berkala dengan pengurus-pengurus dana, pelabur berinstitusi dan juru analisis pelaburan. Kenyataan akhbar juga disediakan untuk memaklumkan pihak media akan peristiwa-peristiwa penting Kumpulan, maklumbalas pelabur dan juru analisis juga dipentingkan untuk memastikan isu-isu utama Kumpulan dimaklumkan secara berkesan. Tambahan, para pemegang saham digalakkan memberi maklumbalas terus kepada Pengerusi Syarikat di *abk@thgroup.com.my*
- Kesemua para pemegang saham digalakkan menghadiri dan mengambil bahagian dalam mesyuarat-mesyuarat am. Maklumat mengenai Kumpulan boleh didapati di <http://www.thgroup.com.my> dan segala pengumuman awam boleh diperolehi di laman web Bursa Malaysia.
- (ii) Hubungan dengan pemegang Sekuriti Hutang Islam Al-Bai' Bithaman Ajil (BAIDS)  
Lembaga Pengarah menghargai kepentingan perhubungan yang baik dengan pemegang-pemegang BAIDS dan memastikan bahawa mereka

diberikan maklumat kemaskini prestasi Kumpulan. Dokumen-dokumen awam yang diedarkan kepada para pemegang saham Syarikat disediakan kepada pemegang-pemegang amanah yang bertugas sebagai wakil pemegang-pemegang BAIDS.

- (iii) Hubungan dengan pemegang-pemegang Waran Selaras dengan Surat Ikatan Kepala, pemegang-pemegang Waran Syarikat berhak menerima salinan dokumen awam yang diedarkan kepada para pemegang saham menerusi pertanyaan bertulis dan pembayaran kos yang ditetapkan oleh Syarikat dari masa ke semasa sepertimana yang telah diluluskan oleh Bursa Malaysia.

### Kebertanggungjawaban & Audit

- (i) Laporan Kewangan  
Penyata menjelaskan tanggungjawab para Pengarah dalam menyediakan penyata kewangan Syarikat diterangkan di bawah Penyata Tanggungjawab Pengarah di mukasurat 58 Laporan Tahunan.
- (ii) Kawalan Dalaman  
Lembaga maklum akan tanggungjawabnya dalam memastikan suatu sistem kawalan dalaman yang mantap diamalkan secara keseluruhannya untuk melindungi kepentingan pelbagai pemegang hak Kumpulan. Ianya dibentangkan di bawah Penyata Kawalan Dalaman di mukasurat 67 hingga 68 Laporan Tahunan.
- (iii) Hubungan dengan Juruaudit  
Lembaga Pengarah menerusi Jawatankuasa Audit mengekalkan hubungan secara rasmi dan telus dalam mengkaji rancangan dan laporan juruaudit luaran, isu kawalan dalaman dan prosedur serta bantuan yang diberi oleh pihak pengurusan kepada juruaudit-juruaudit luaran. Garispanduan dan aktiviti-aktiviti Jawatankuasa Audit untuk tahun kewangan semasa dihuraikan di mukasurat 62 hingga 64 Laporan Tahunan ini.
- Penyata ini dibentangkan selaras dengan resolusi Lembaga Pengarah bertarikh 24 April 2006.

## STATEMENT ON DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Pursuant to Paragraph 15.27 of the Listing Requirements of Bursa Malaysia Securities Berhad, the Directors are required by the Companies Act, 1965 to prepare financial statements which give a true and fair view of the state of affairs of the Company and of the Group as at end of the financial year and of the results of the operations and cash flow for the year ended on that date.

In preparing those financial statements, the Directors are required to:

- Adopt suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Ensure applicable approved accounting standards have been complied with, and all material departures have been disclosed and explained in the financial statements;
- Ensure provisions of the Companies Act 1965 have been complied with, where applicable.

The Directors also have the responsibility for ensuring that the Company and the Group keep proper accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

In addition, the Directors are also responsible for safeguarding the assets of the Group and hence for ensuring that there are adequate controls and procedures for the prevention and detection of fraud and other irregularities.

## PENYATA TANGGUNGJAWAB PARA PENGARAH UNTUK PENYATA KEWANGAN

Selaras dengan Perenggan 15.27 Keperluan Penyenaraian Bursa Malaysia Securities Berhad, Para Pengarah perlu mematuhi Akta Syarikat, 1965 untuk menyediakan penyata kewangan yang mencerminkan pandangan ikhlas dan saksama hal ehwal Syarikat dan Kumpulan pada akhir tahun kewangan serta keputusan operasi dan aliran tunai untuk tahun berakhir pada tarikh tersebut.

Dalam menyediakan penyata kewangan, para Pengarah diperlukan:

- Menggunakan polisi perakaunan yang sesuai dan secara konsisten;
- Membuat keputusan dan anggaran yang munasabah dan berhemat;
- Memastikan piawaian perakaunan yang diluluskan telah dipatuhi, dan kesemua pengagihan telah dinyatakan dan dijelaskan dalam penyata kewangan;
- Memastikan peruntukan Akta Syarikat, 1965 telah dipatuhi, di mana patut.

Para Pengarah juga mempunyai tanggungjawab memastikan Syarikat dan Kumpulan menyimpan rekod perakaunan yang lengkap yang menyatakan dengan ketepatan munasabah posisi kewangan Syarikat dan Kumpulan serta membolehkan mereka memastikan penyata kewangan mematuhi peruntukan Akta Syarikat, 1965 dan piawaian perakaunan diluluskan di Malaysia.

Tambahan, para Pengarah juga bertanggungjawab melindungi aset Kumpulan, justeru memastikan terdapat kawalan dan prosedur secukupnya untuk mengelakkan dan mengesan penipuan dan lain-lain ketidaknalaran.

## AUDIT COMMITTEE REPORT

### Introduction

The Board of Directors of TH Group is pleased to present the Audit Committee Report for the financial year ended 31 December 2005.

### Constitution

The Audit Committee was established by the Board of Directors on 21 July 1994.

### Composition and Attendance at Meetings

- (a) Michael Ting Sii Ching  
Chairman/Independent Non-Executive Director
- (b) Tunku Ahmad Burhanuddin Bin Tunku  
Datuk Seri Adnan\*  
Member/Independent Non- Executive Director  
(Resigned on 31 December 2005)
- (c) Wong Chee Beng\*  
Member/Independent Non-Executive Director  
(Appointed on 20 March 2006)
- (d) Lei Lin Thai  
Group Managing Director

\* Member of Malaysian Institute of Accountants ("MIA").

The Audit Committee held four meetings during the financial year ended 31 December 2005. The attendance of the members were as stated in Table I.

### Membership

The Audit Committee shall be appointed by the Board of Directors from amongst its members, and shall comprise not less than three members, a majority of whom shall be Independent Directors and at least one member must be a member of the Malaysian Institute of Accountants or possesses such other qualifications

and/or experience as approved by the Bursa Malaysia Securities Berhad.

In the event of any vacancies in the Audit Committee resulting in the number of members reduced to below three, the Board of Directors shall, within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

### Chairman

The members of the Audit Committee shall elect a Chairman from among their number who shall be an Independent Director. He shall report on each meeting of the Committee to the Board. No alternate Director shall be appointed as a member of the Audit Committee.

### Terms of Reference

The Audit Committee is governed by the following terms of reference:

#### 1. Objective

The Audit Committee was established to assist the Board in carrying out its duties to ensure the interests of key stakeholders are properly safeguarded.

#### 2. Authority

The Audit Committee is authorised by the Board of Directors to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and senior management of the Group. The Audit Committee shall convene meetings with the external auditors, excluding the attendance of the executive member(s) of the Committee, whenever deemed necessary.

### Audit Committee Meeting (Table I)

	26/02/05	03/05/05	12/08/05	08/11/05	Total
Michael Ting Sii Ching	•	•	•	•	4/4
Tunku Ahmad Burhanuddin (Resigned on 31 December 2005)	•	•	•	•	4/4
Lei Lin Thai	•	•	•	•	4/4

## AUDIT COMMITTEE REPORT

The Audit Committee is authorised by the Board of Directors to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.

### 3. Duties and Responsibilities

The duties and responsibilities of the Audit Committee includes the following:

- To review the proper maintenance of the internal control system;
- To review the Group's public accountability and compliance with the laws and regulations;
- To review the internal and external audit plan;
- To ensure the adequacy of internal and external audit procedures;
- To review the resignation, nomination and recommendation of external auditors;
- To recommend the nomination of a person or persons as external auditors and their remuneration;
- To provide liaison between the external auditors, the management and the Board of Directors;
- To review the findings of the internal and external auditors;
- To review the quarterly results and year end financial statements prior to the approval by the Board of Directors, focusing on:
  - (i) Going concern assumption
  - (ii) Compliance with accounting standards and other legal requirements
  - (iii) Any changes in accounting policies and practices
  - (iv) Significant issues arising from the audit
  - (v) Major judgemental areas
- To review any related party transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- To report its findings on the financial and management performance, and other material matters to the Board of Directors;
- To review the effectiveness of the Group's risk management framework, policies and processes;
- To carry out such other responsibilities, functions or assignments as may be defined jointly by the Committee and the Board of Directors from time to time; and
- To promptly report to the Bursa Malaysia Securities Berhad in the event that matters reported to the Board have not been satisfactorily resolved resulting in a breach of the Listing Requirements of the Bursa Malaysia Securities Berhad.

### 4. Review of the Audit Committee

The Board of Directors shall review the term of office and performance of the Audit Committee and each of its members at least once every 3 years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

### 5. Meetings

#### (a) Meetings

- The Audit Committee meetings shall not be less than four times a year. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.
- The members of the Audit Committee and the Head of Group Audit & Risk Management Unit will normally be in attendance at the meetings. Representatives of external auditors are to be in attendance at meetings where matters relating to the audit of the statutory accounts and/or the external auditors are to be discussed.

## AUDIT COMMITTEE REPORT

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- Other appropriate officers of the Group may be invited to attend, except for those portions of the meetings where their presence is considered inappropriate, as determined by the Chairman of the Audit Committee.

## (b) Quorum

A quorum shall consist of a majority of Independent Directors.

## (c) Minutes of meetings

Minutes of each meeting shall be kept and distributed to each member of the Audit Committee and also to the other members of the Board of Directors. The Audit Committee Chairman shall report on each meeting to the Board of Directors. The Company Secretary shall be the Secretary to the Audit Committee.

### Summary of Activities during the Financial Year Ended 31 December 2005

During the year 2005, the Committee discharged its duties as specified in the terms of reference. The key activities carried out include:

- Reviewed the Group's quarterly unaudited results and relevant disclosures prior to submission to the Board for consideration and approval.
- Reviewed the annual audited financial statements with external auditors prior to submission to the Board for approval.
- Reviewed/approved recommendations tabled by Risk Management Committee, pursuant to the review of the Group's risk profile and the risk management process and submit significant matters to the Board for final approval.
- Reviewed the audit scope and resource requirements of the internal audit function to ensure all critical areas are covered.
- Reviewed internal audit reports, issues raised and management resolution of matters arising.

- Verified key related party transactions presented by the management prior to submission to the Board of Directors for consideration and shareholders for approval.
- Verified allocation of options pursuant to Employees Share Option Scheme as being in compliance with the terms and conditions of the Company's ESOS By-Laws.
- Discussed the audit plan, strategy and scope of work with external auditors.

### Internal Audit And Risk Management Function

The Group Audit & Risk Management (GARM) Unit covers both the internal audit and risk management activities. The GARM Unit undertakes independent and systematic reviews of the systems of internal control to provide reasonable assurance that such systems continue to operate satisfactorily. The GARM Unit adopts a risk-based methodology in defining the annual audit plan that is reviewed and approved by the Audit Committee.

The Audit Committee is aware of the fact that an independent and adequately resourced internal audit function is essential to assist the Committee in carrying out its duties and responsibilities.

The GARM Unit monitors the risk management process and submits quarterly report to the Risk Management Committee. This Committee was set up to assist the Audit Committee and the Board of Directors in reviewing and monitoring the risk management activities of the Group.

During the year, the GARM Unit completed and submitted a total of 20 audit reports to the Audit Committee. In addition, follow-up on 19 reports issued earlier were completed.

## LAPORAN JAWATANKUASA AUDIT

### Pengenalan

Lembaga Pengarah TH Group dengan bangganya membentangkan Laporan Jawatankuasa Audit untuk tahun kewangan berakhir 31 Disember 2005.

### Tatacara

Jawatankuasa Audit telah ditubuhkan oleh Lembaga Pengarah pada 21 Julai 1994.

### Komposisi dan Kehadiran Mesyuarat

- (a) Michael Ting Sii Ching  
Pengerusi/Pengarah Bebas Bukan Eksekutif
- (b) Tunku Ahmad Burhanuddin Bin Tunku Datuk Seri Adnan\*  
Ahli/Pengarah Bebas Bukan Eksekutif  
(Meletak jawatan pada 31 Disember 2005)
- (c) Wong Chee Beng\*  
Ahli/Pengarah Bebas Bukan Eksekutif  
(Dilantik pada 20 Mac 2006)
- (d) Lei Lin Thai  
Pengarah Urusan Kumpulan

\* Ahli Institut Akauntan Malaysia ("MIA").

Jawatankuasa Audit telah mengadakan empat mesyuarat pada tahun kewangan berakhir 31 Disember 2005. Kehadiran di Mesyuarat Jawatankuasa Audit adalah seperti di Jadual I.

### Keahlian

Ahli Jawatankuasa Audit harus dilantik oleh Lembaga Pengarah dari kalangan ahlinya, dan mesti ahlinya tidak kurang dari tiga, majoriti darinya adalah Pengarah Bebas serta sekurang-kurangnya seorang ahli mesti memiliki keahlian Institut Akauntan Malaysia atau

memiliki kelayakan dan/atau pengalaman lain yang dibenarkan oleh Bursa Malaysia Securities Berhad.

Sekiranya berlaku kekosongan pada Jawatankuasa Audit sehingga menyebabkan bilangan ahli kurang daripada tiga, Lembaga Pengarah harus melantik ahli baru dalam masa tiga bulan supaya bilangannya memenuhi keahlian minima tiga orang.

### Pengerusi

Ahli Jawatankuasa Audit harus melantik seorang Pengerusi dari kalangan ahli yang juga mestilah seorang Pengarah Bebas. Beliau mesti melaporkan setiap mesyuarat Jawatankuasa Audit kepada Lembaga Pengarah. Ahli Jawatankuasa Audit tidak boleh dilantik dari kalangan Pengarah ganti.

### Tatacara Tugas

Jawatankuasa Audit adalah terikat oleh tatacara tugas seperti berikut:

#### 1. Objektif

Jawatankuasa Audit adalah ditubuhkan bagi membantu Lembaga Pengarah menjalankan tanggungjawab mereka untuk memastikan kepentingan pihak-pihak berkaitan utama adalah ditadbir secara baik.

#### 2. Bidang Kuasa

Jawatankuasa Audit telah diberi kuasa oleh Lembaga Pengarah bagi menyasiat segala aktiviti di dalam ruang lingkup tatacara tugas serta mempunyai akses tanpa batas kepada juruaudit luar serta dalaman dan pengurusan kanan Kumpulan. Jawatankuasa Audit harus mengadakan mesyuarat bersama juruaudit luar, tanpa kehadiran ahli jawatankuasa eksekutif, sekiranya perlu.

### Mesyuarat Jawatankuasa Audit (Jadual I)

	26/02/05	03/05/05	12/08/05	08/11/05	Total
Michael Ting Sii Ching	•	•	•	•	4/4
Tunku Ahmad Burhanuddin (Meletak jawatan pada 31 Disember 2005)	•	•	•	•	4/4
Lei Lin Thai	•	•	•	•	4/4

Jawatankuasa Audit telah diberi kuasa oleh Lembaga Pengarah bagi mendapatkan nasihat perundangan atau lain-lain nasihat profesional dari pihak luar dan mendapatkan kehadiran pihak-pihak ketiga yang mempunyai pengalaman serta kepakaran yang berkaitan jika difikirkan perlu.

### 3. Tugas dan Tanggungjawab

Tugas dan tanggungjawab Jawatankuasa Audit termasuk yang tertera dibawah:

- Mengkaji keberkesanan serta kepatuhan terhadap sistem kawalan dalaman;
- Mengkaji tanggungjawab awam serta kepatuhan Kumpulan terhadap undang-undang dan peraturan-peraturan;
- Mengkaji perancangan juruaudit luar dan dalaman;
- Memastikan kecukupan prosedur-prosedur audit luar dan dalaman;
- Mengkaji perletakkan jawatan, pencalonan serta cadangan-cadangan juruaudit luar;
- Menasihati pencalonan seorang atau beberapa orang sebagai juruaudit luar dan imbuhan mereka;
- Menjadi pengantara di antara juruaudit luar, pihak pengurusan serta Lembaga Pengarah;
- Mengkaji laporan serta penemuan-penemuan juruaudit luar dan dalaman;
- Mengkaji keputusan suku tahunan serta penyata-penyata kewangan akhir tahun sebelum diluluskan oleh Lembaga Pengarah, dengan memberi tumpuan kepada:
  - (i) Andaian usaha berterusan
  - (ii) Kepatuhan terhadap piawaian perakaunan serta lain-lain keperluan perundangan
  - (iii) Sebarang perubahan terhadap polisi serta amalan perakaunan
  - (iv) Isu-isu penting yang timbul dari audit
  - (v) Bahagian-bahagian utama yang memerlukan penelitian pemikiran
- Mengkaji sebarang transaksi pihak-pihak berkaitan dan situasi-situasi konflik kepentingan yang mungkin timbul di dalam Kumpulan termasuk transaksi, prosedur serta tata urus yang menimbulkan persoalan berkenaan ketuluan pengurusan;
- Melaporkan hasil kajian terhadap pencapaian kewangan serta pengurusan serta perkara-perkara lain yang penting kepada Lembaga Pengarah;
- Mengkaji keberkesanan rangka kerja, polisi dan proses pengurusan risiko Kumpulan.
- Menjalankan lain-lain tanggungjawab, fungsi serta tugas yang diberikan secara bersama oleh Jawatankuasa serta Lembaga Pengarah dari masa ke semasa; dan
- Melaporkan segera kepada Bursa Malaysia Securities Berhad jika terdapat perkara-perkara yang telah dilaporkan kepada Lembaga Pengarah yang masih tidak dapat diselesaikan dan boleh menyebabkan pelanggaran Undang-undang Penyenaraian Bursa Malaysia Securities Berhad.

### 4. Kajian Jawatankuasa Audit

Lembaga Pengarah harus mengkaji terma-terma perlantikan serta pencapaian Jawatankuasa Audit dan ahli-ahlinya sekurang-kurangnya sekali setiap 3 tahun bagi memastikan Jawatankuasa Audit serta ahli-ahlinya telah menjalankan tanggungjawab berdasarkan tatacara tugas mereka.

### 5. Mesyuarat-mesyuarat

(a) Mesyuarat-mesyuarat

- Mesyuarat Jawatankuasa Audit mestilah diadakan tidak kurang dari empat kali setahun. Pengerusi juga boleh mengadakan mesyuarat tambahan pada masa yang difikirkan perlu.

- Ahli-ahli Jawatankuasa Audit dan Ketua Unit Audit dan Pengurusan Risiko Kumpulan biasanya akan hadir di mesyuarat. Wakil dari juruaudit luar akan hadir sekiranya mesyuarat membincangkan perkara-perkara berkaitan audit akaun-akaun tahunan serta juruaudit luar.
- Pegawai-pegawai Kumpulan lain juga mungkin dijemput menghadiri mesyuarat, melainkan bahagian-bahagian tertentu di mesyuarat di mana kehadiran mereka difikirkan tidak bersesuaian sebagaimana yang diputuskan oleh Pengerusi Jawatankuasa Audit.
- Mengkaji skop audit serta keperluan sumber audit dalaman bagi memastikan segala bahagian kritikal diperhalusi.
- Mengkaji laporan juruaudit dalaman, isu-isu yang dibangkitkan serta penyelesaian pihak pengurusan berkaitan perkara berbangkit.
- Meneliti transaksi utama pihak-pihak berkaitan yang dibentangkan oleh pengurusan sebelum dilaporkan kepada Lembaga Pengarah untuk pertimbangan akan pemegang saham untuk kelulusan.
- Meneliti pengagihan opsyen hasil dari Skim Opsyen Saham Pekerja bagi memastikan pematuhan syarat serta terma-terma undang-undang kecil ESOS Syarikat.

#### (b) Korum

Setiap korum majoritinya adalah Pengarah Bebas.

#### (c) Minit-Minit Mesyuarat

Minit-minit mesyuarat hendaklah disimpan serta diedarkan kepada setiap ahli Jawatankuasa Audit dan juga kepada setiap ahli Lembaga Pengarah. Pengerusi Jawatankuasa Audit mesti melaporkan setiap mesyuarat kepada Lembaga Pengarah. Setiausaha Syarikat adalah Setiausaha kepada Jawatankuasa Audit.

### Ringkasan Aktiviti-aktiviti semasa Tahun Kewangan Berakhir 31 Disember 2005

Semasa tahun 2005, Jawatankuasa telah menjalankan tugasnya sepertimana yang tertakluk di dalam tatacara tugas. Aktiviti-aktiviti utama yang dijalankan adalah seperti berikut:

- Mengkaji keputusan suku tahunan Kumpulan serta pernyataan berkaitan sebelum diberikan kepada Lembaga Pengarah untuk pertimbangan dan kelulusan.
- Mengkaji penyata kewangan audit tahunan bersama juruaudit luar sebelum diberikan kepada Lembaga Pengarah untuk kelulusan.
- Mengkaji/meluluskan saranan-saranan yang dibentangkan oleh Jawatankuasa Pengurusan Risiko, hasil dari kajian profil risiko Kumpulan dan proses pengurusan risiko dan menyampaikan perkara-perkara penting kepada Lembaga Pengarah.

- Membincangkan rancangan audit, strategi serta skop tugas dengan juruaudit luar.

### Fungsi Audit Dalaman dan Pengurusan Risiko

Unit Audit & Pengurusan Risiko Kumpulan (UAPR) merangkumi kedua-dua aktiviti audit dalaman serta pengurusan risiko. Unit UAPR membuat kajian bebas serta sistematik ke atas sistem kawalan dalaman bagi mendapatkan kepastian berpatutan bahawa sistem tersebut terus beroperasi secara berkesan. Unit UAPR mengunapakai metodologi asas risiko bagi memperhalusi rancangan audit tahunan yang akan dikaji serta diluluskan oleh Jawatankuasa Audit.

Jawatankuasa Audit amat peka bahawa fungsi audit dalaman yang bebas serta sumber yang cukup amatlah penting bagi membantu Jawatankuasa Audit dalam melaksanakan tugas serta tanggungjawab mereka.

Unit UAPR meneliti proses risiko pengurusan serta menyampaikan laporan suku tahunan kepada Jawatankuasa Risiko Pengurusan. Jawatankuasa ini telah ditubuhkan bagi membantu Jawatankuasa Audit serta Lembaga Pengarah dalam mengkaji serta meneliti aktiviti-aktiviti risiko pengurusan Kumpulan.

Pada tahun semasa, Unit UAPR telah menyiapkan serta menyampaikan sejumlah 20 laporan audit kepada Jawatankuasa Audit. Tambahan lagi, 19 laporan susulan yang telah dikeluarkan sebelum ini juga telah disiapkan.

## STATEMENT ON INTERNAL CONTROL

### Introduction

The Board of Directors (“the Board”) strongly supports the need for good corporate governance and acknowledges its responsibility for maintaining a sound system of internal controls to safeguard shareholders’ investment and the Group’s assets. The Board is pleased to provide the following Statement on the state of internal control in the Group during the year pursuant to Paragraph 15.27(b) of the Listing Requirements of Bursa Malaysia Securities Berhad.

### Directors’ Responsibility

The Board is ultimately responsible for the Group’s system of internal control which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. In view of the limitations inherent in any system of internal control, the Group’s system is designed to manage risks at an acceptable level rather than to eliminate them. Hence, in achieving the Group’s objectives, internal controls provide reasonable and not absolute assurance against material misstatement and loss mitigation. Furthermore, the system of internal controls designed is not restricted to addressing risks relating to financial matters but also operations and compliance with applicable laws and regulations.

The Board has established a process for identifying, evaluating, monitoring and managing significant risks that may materially affect the achievement of its corporate objectives. This process has been in place throughout the year under review up to date of this report, and this process is reviewed by the Board and accords with the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

The Audit Committee with the assistance of the Group Audit and Risk Management Unit reviews the adequacy and integrity of the system of internal controls in the Group and to ensure that appropriate work is carried out to obtain the level of assurance required by the Board.

The key processes that have been established in reviewing the adequacy and integrity of the system of internal control include the following:

### Control Environment

The Board places importance on the human capital. Attributes such as integrity and competence are integral to the Group pursuits. There is an ongoing review on the organisation structure to ensure business activities are effectively planned, executed and monitored.

Clearly defined authority limits have been established for all aspects of the businesses. The responsibilities and authority limits established are subject to periodic review to ensure effective decision-making in response to business risks.

### Risk Management Framework

The Board has established an enterprise-wide risk management framework to continuously assess the risk profile of each strategic business unit with on-going process to identify, assess and manage significant business risks faced by the Group. The Board has delegated to the Management the responsibility for managing risks via existing internal controls and/or action plans associated with the activities of the Group.

The key features of the Group’s risk management process are:

- Risk reporting structure that shows the roles and responsibilities of the Board, Audit Committee, Risk Management Committee, Group Audit and Risk Management Unit as well as the respective business units’ management.
- The Board is responsible to approve the processes and policies for implementation throughout the Group.
- The respective business units are responsible for reviewing and maintaining established risk prioritisation criteria to facilitate risk assessment and the development of action plans.
- The respective business units provide assurance on the state of internal controls.

## STATEMENT ON INTERNAL CONTROL

**Internal Audit Activities**

- Internal audits were undertaken to provide independent assessments on the state of internal control of each key business process of the various business units.
- Internal audit visits are organised based on selected areas duly approved by the Audit Committee. Auditable areas are duly identified and approved on a three-year work plan, which is subject to periodic review. This is to ensure that there is due assessment of the adequacy of the audit scope and resources, in line with changing business and organisational circumstances.

**Other Elements of Internal Control**

The Group has a budgeting process in place, within which key operating business units and subsidiaries prepare budgets for the coming year which are approved by the Board. The Board has access to a Monthly Management Report that covers the monitoring of results against budget, with major variances explained and remedial action taken being highlighted.

The Board believes that the development and refinement of the system of internal controls is an ongoing process and has taken steps throughout the year to improve its internal control system. The Board and the management shall continue to take measures to strengthen the internal control environment.

**Conclusion**

For the financial year under review, there were no material losses, contingencies or uncertainties as a result of any weakness in the internal control system that would require disclosure in the Group's Annual Report.

This statement was made in accordance with Board of Directors resolution dated 24 April 2006.

## PENYATA KAWALAN DALAMAN

### Pengenalan

Lembaga Pengarah (“Lembaga”) menyokong sepenuhnya keperluan amalan urus tadbir korporat terbaik dan maklum akan tanggungjawabnya untuk mengekalkan sistem kawalan dalaman yang mantap bagi melindungi pelaburan pemegang-pemegang saham dan aset Kumpulan. Lembaga dengan bangganya membentangkan Penyata di bawah mengenai tahap kawalan dalam Kumpulan untuk tahun semasa selaras dengan Perenggan 15.27 (b) Keperluan Penyenaraian Bursa Malaysia Securities Berhad.

### Tanggungjawab Para Pengarah

Lembaga pada dasarnya bertanggungjawab ke atas sistem kawalan dalaman Kumpulan yang termasuk pembentukan persekitaran dan rangka kerja kawalan yang baik dan juga mengkaji semula kemampuan dan ketulusan sistem tersebut. Memandangkan batasan-batasan yang sedia ada dalam sebarang sistem kawalan dalaman, sistem yang diamalkan oleh Kumpulan direkabentuk untuk menguruskan risiko pada tahap yang rendah dan bukannya untuk membanteras sekaligus. Justeru, dalam mencapai matlamat Kumpulan, sistem kawalan dalaman memberikan jaminan munasabah tetapi bukan sepenuhnya terhadap kenyataan-kenyataan salah dan pengurangan kerugian. Tambahan, sistem kawalan dalaman direkabentuk bukan setakat risiko berkaitan perihal kewangan tetapi juga merangkumi operasi dan pematuhan undang-undang dan peraturan-peraturan yang ditetapkan.

Lembaga telah mengadakan suatu proses untuk mengenalpasti, menilai, meneliti dan mengurus risiko-risiko ketara yang mungkin menjejaskan matlamat korporat. Proses ini telah diamalkan sepanjang tahun kewangan semasa sehingga tarikh Laporan ini, dan proses ini dikaji semula oleh Lembaga serta mematuhi Panduan Kawalan Dalaman: Panduan untuk Pengarah-pengarah Syarikat Tersenarai.

Jawatankuasa Audit dengan bantuan Unit Pengurusan Risiko Audit Kumpulan mengkaji kemampuan dan ketulusan sistem kawalan dalaman Kumpulan dan memastikan kerja-kerja secukupnya dijalankan untuk mencapai tahap jaminan yang diperlukan oleh Lembaga.

Proses-proses utama yang telah diamalkan dalam mengkaji kemampuan dan ketulusan sistem kawalan dalaman termasuk:

### Persekitaran Terkawal

Lembaga mementingkan modal sumber manusia. Ciri-ciri seperti ketulusan dan kecekapan merupakan sebahagian utama matlamat Kumpulan. Ulasan berterusan ke atas struktur organisasi dijalankan untuk memastikan aktiviti-aktiviti perniagaan dirancang, dilaksanakan dan diteliti secara berkesan.

Garis panduan kuasa yang jelas telah diselaraskan untuk segala aspek perniagaan. Tanggungjawab dan garis panduan kuasa tertakluk kepada kajian berkala untuk memastikan keberkesanan proses membuat keputusan berkenaan risiko perniagaan.

### Rangka Kerja Pengurusan Risiko

Lembaga telah membentuk rangka kerja pengurusan risiko meliputi keseluruhan perniagaan Kumpulan untuk menilai secara berterusan profil risiko setiap unit perniagaan strategik melalui proses mengenalpasti, menilai dan mengurus risiko perniagaan ketara yang dihadapi oleh Kumpulan. Lembaga telah mengamanahkan tanggungjawab kepada pihak pengurusan untuk mengurus risiko menerusi kawalan dalaman sedia ada dan/atau pelan tindakan yang berkaitan dengan aktiviti-aktiviti Kumpulan.

Ciri-ciri utama proses pengurusan risiko Kumpulan adalah:

- Struktur laporan risiko yang menunjukkan peranan dan tanggungjawab Lembaga, Jawatankuasa Audit, Jawatankuasa Pengurusan Risiko, Unit Audit Kumpulan dan Pengurusan Risiko serta pengurusan unit perniagaan masing-masing.
- Lembaga bertanggungjawab meluluskan proses dan polisi untuk dilaksanakan secara keseluruhan Kumpulan.
- Unit perniagaan masing-masing bertanggungjawab mengkaji dan mengekalkan ciri-ciri pengutamaan risiko yang ditetapkan untuk melaksanakan penilaian risiko dan pembentukan pelan-pelan tindakan.
- Unit perniagaan masing-masing memberikan pengesahan ke atas tahap kawalan dalaman.

**Aktiviti Audit Dalaman**

- Audit dalaman telah dikendalikan untuk memberi penilaian bebas mengenai keadaan kawalan dalaman dalam setiap proses perniagaan utama pelbagai unit-unit perniagaan.
- Lawatan audit dalaman diadakan berdasarkan bahagian-bahagian yang terpilih dan telah diluluskan oleh Jawatankuasa Audit. Bahagian-bahagian yang boleh diaudit akan dikenalpasti dan diluluskan dalam suatu pelan kerja tiga tahun, yang tertakluk kepada kajian berkala. Ini adalah untuk memastikan supaya adanya penilaian yang mencukupi merangkumi tinjauan dan sumber audit, selaras dengan keadaan perubahan perniagaan dan organisasi.

**Lain-lain Elemen Kawalan Dalaman**

Kumpulan mengamalkan proses belanjawani, di mana setiap unit perniagaan dan subsidiari utama menyediakan belanjawan untuk tahun yang akan datang yang kemudiannya diluluskan oleh Lembaga. Lembaga mempunyai akses ke atas Laporan Pengurusan Bulanan yang merangkumi penelitian keputusan berbanding perbelanjaan, dengan mengutamakan langkah-langkah yang diambil untuk mengatasi sebarang perbezaan.

Lembaga yakin perkembangan sistem kawalan dalaman dan penelitian adalah proses berterusan dan telah mengambil langkah-langkah sepanjang tahun untuk meningkatkan sistem kawalan dalamannya. Lembaga dan pihak pengurusan akan terus mengambil langkah-langkah untuk memperkuat tahap kawalan dalaman Kumpulan.

**Kesimpulan**

Dalam tahun kewangan yang dikaji, tiada sebarang kerugian ketara, perkara-perkara luar jangkaan atau ketidakpastian yang timbul akibat kelemahan dalam sistem kawalan dalaman yang perlu didedahkan di Laporan Tahunan Kumpulan.

Penyata ini dibentangkan mengikut resolusi Lembaga Pengarah bertarikh 24 April 2006.

## OTHER DISCLOSURE

### Relevant Disclosure under Part A of Schedule 9C of the Bursa Malaysia Listing Requirements

(i) Status of Utilisation of Proceeds Raised from any Corporate Proposal.

The Company had on 31 January 2002, issued RM150 million nominal amount of BAIDS with 142,462,363 detachable warrants on a "bought deal" basis to a primary subscriber.

The status of the utilisation as at 31 December 2005, was as follows:

Purpose	Amount as Approved RM'000	Actual Amount Utilised RM'000
Acquisition of an office complex in Cyberjaya, Selangor	18,288	18,188
Investment in biotechnology, internet and other high technology related companies	10,000	10,000
Repayment of Group's existing bank borrowings	83,500 *	77,287
Working Capital	35,712	41,925
Defraying incidental expenses of the Proposal	2,500	2,128
<b>Total</b>	<b>150,000</b>	<b>149,528</b>

\* The excess of the approved amount over the repayment of Group's existing bank borrowings will be utilised as additional working capital.

In the current year, the Company implemented a RM200 million nominal value Commercial Paper/Medium Term Notes ("CPS/MTNS) Programme. The status of its utilisation as at 31 December 2005 was as follows:

Purpose	Amount as Approved RM'000	Amount Utilised RM'000
Redemption of existing Debt Securities	120,000	45,000
Refinancing of existing bank borrowings	30,000	30,000
Working capital	50,000	30,000
<b>Total</b>	<b>200,000</b>	<b>105,000</b>

## OTHER DISCLOSURE

## (ii) Amount of Non-Audit Fees Paid to Auditors

The amount of non-audit fees paid to the external auditors of the Group for the financial year for taxation, management, secretarial, consultancy and other service fees was approximately RM121,256.

obtained) since the end of the previous financial year or subsisting at the end of the financial year.

Other disclosure requirements under Part A of Schedule 9C of the Bursa Malaysia Listing Requirements not listed above were not applicable for the financial year ended 31 December 2005.

## (iii) Material Contracts

No material contracts were entered into by the Company or its subsidiaries involving Directors' and substantial shareholders' interest (other than in relation to recurrent related party transactions disclosed in Note 33 of the financial statements and where a shareholders' general mandate has been

**Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")**

With reference to the Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue Nature ("RRPT") obtained during the Annual General Meeting on 28 April 2005, the related transactions for the financial year ended 31 December 2005 were as follows:

<b>Nature of Recurrent Related Party Transactions</b>	<b>Transacting Party</b>	<b>Amount Approved (RM'000)</b>	<b>Transactions for the Period Jan to Dec 2005 (RM'000)</b>
Transactions with companies in which certain Directors of the Company are also Directors and major shareholder:			
Management fees receivable	Pinsah Plantations Sdn Bhd <sup>(1)</sup>	108	108
	Renown Yield Sdn Bhd <sup>(1)</sup>	17	17
Workshop, equipment and road maintenance fees	Syarikat Sri Mesapol (KP) Sdn Bhd <sup>(1)</sup>	10	0
Provision of internal audit services	Tung Hup Holdings Sdn Bhd <sup>(1)</sup>	30	30
Purchases of fresh fruit bunches	Pinsah Plantations Sdn Bhd <sup>(1)</sup>	12,600	11,892
	Renown Yield Sdn Bhd <sup>(1)</sup>	1,500	1,014
Purchases of cocoa	Tentu Permai Sdn Bhd <sup>(1)</sup>	21	17
Software and hardware maintenance & IT consultation fees	Pinsah Plantations Sdn Bhd <sup>(1)</sup>	23	24
	Tung Hup Holdings Sdn Bhd <sup>(1)</sup>	9	0
Sale of Plantation Software	Pinsah Plantations Sdn Bhd <sup>(1)</sup>	80	0
Rental of premises payable (2)	Tung Hup Holdings Sdn Bhd <sup>(1)</sup>	160	62
Transport, materials and labour supplies	Pinsah Plantations Sdn Bhd <sup>(1)</sup>	150	0
Disposal of fixed assets	Pinsah Plantations Sdn Bhd <sup>(1)</sup>	0	105

## OTHER DISCLOSURE

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Nature of Recurrent Related Party Transactions	Transacting Party	Amount Approved (RM'000)	Transactions for the Period Jan to Dec 2005 (RM'000)
Transactions with a Director of the Company or with a Company in which he is a Director and major shareholder			
Rental of premises payable (3)	Linta Holdings Sdn Bhd	14	14
Rental of premises payable (4)	Lei Lin Thai	121	121
Transactions with a Director of the Company or person related to a Director of the Company			
Business consultancy fees payable	Rohana Tan Sri Mahmood <sup>(6)</sup>	24	24
	Zainal Abidin Bin Tan Sri Mahmood <sup>(7)</sup>	36	36
Transaction with a Director of a subsidiary or with a Company in which he is a Director and major shareholder			
Oncologist Consultancy Fees Payable (8)	Malaysian American Cancer Center Sdn Bhd	700	447

## Notes:-

- (1) The Directors of the Company namely Lei Lin Thai, Wong Ah Kow and Tam Kam Too are also Directors and major shareholders, directly or indirectly, in these transacting parties. Tung Hup Holdings Sdn Bhd is the major shareholder of the Company.
- (2) The premises are located at TB1832 Batu 2, Jalan Apas, 91000 Tawau, Sabah.
- (3) The premise is located at 2nd Floor, Lot A, Block C-8, Sentosa Court, Mile 2-5, North Road, 90000 Sandakan, Sabah.
- (4) The premise is located at Unit 50-07-01 and 50-07-02, 7th Floor, Wisma UOA Damansara, No.50, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur.
- (5) In respect of the rental of premises, stated in (2), (3) and (4) above, the leases do not exceed 3 years and do not involve a payment on a lump sum basis.
- (6) Rohana Tan Sri Mahmood is an Independent & Non-Executive Director of the Company.
- (7) Zainal Abidin Bin Tan Sri Mahmood is the brother of Rohana Tan Sri Mahmood, an Independent & Non-Executive Director of the Company.
- (8) Dr. Selvaratnam a/l Govindaraju is a Director of Asiaprise Biotech Sdn. Bhd. (a wholly owned subsidiary of TH Group Berhad).

## PENDEDAHAN LAIN

### Pendedahan Yang Berkaitan Bagi Keperluan-Keperluan Senaraian Bursa Malaysia di bawah Bahagian A Jadual 9C

(i) Status Penggunaan Hasil-hasil yang diperolehi dari Cadangan Korporat.

Pada 31 Januari 2002, Syarikat telah menerbitkan BAIDS bernilai nominal sebanyak RM150 juta disertakan bersama 142,462,363 waran-waran boleh pisah secara "perjanjian belian" kepada pelanggan utama.

Status penggunaannya setakat 31 Disember 2005 adalah seperti berikut:

Tujuan	Amaun yang Diluluskan RM'000	Amaun Sebenar Digunakan RM'000
Pengambilalihan sebuah kompleks pejabat di Cyberjaya, Selangor	18,288	18,188
Perlaburan di dalam bioteknologi, internet dan syarikat-syarikat teknologi tinggi yang lain	10,000	10,000
Pembayaran balik pinjaman-pinjaman Kumpulan yang sedia ada	83,500 *	77,287
Modal Pusingan	35,712	41,925
Menjelaskan perbelanjaan-perbelanjaan yang berkaitan dengan Cadangan	2,500	2,128
<b>Jumlah</b>	<b>150,000</b>	<b>149,528</b>

\* Lebih dari amaun yang diluluskan untuk pembayaran balik pinjaman-pinjaman Kumpulan yang sedia ada akan digunakan sebagai modal pusingan.

Di dalam tahun semasa, Syarikat telah melaksanakan Program Kertas Komersial/Nota-nota Jangka Sederhana ("CPS/MTNS") bernilai RM200 juta. Status penggunaan ini pada 31 Disember 2005 adalah seperti berikut:

Tujuan	Amaun Diperuntukkan RM'000	Amaun Yang Diterbitkan RM'000
Penyelesaian Sekuriti Hutang sedia ada	120,000	45,000
Pembiayaan semula pinjaman-pinjaman bank sedia ada	30,000	30,000
Modal Pusingan	50,000	30,000
<b>Jumlah</b>	<b>200,000</b>	<b>105,000</b>

## PENDEDAHAN LAIN

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- (ii) Amaun Yuran Bukan Audit Dibayar kepada Juruaudit
- Amaun yuran bukan audit yang dibayar kepada juruaudit luar Kumpulan di dalam tahun kewangan untuk khidmat percukaian, pengurusan, sekretarial, perundingan dan yuran-yuran servis yang lain berjumlah lebih kurang RM121,256.
- (iii) Kontrak-kontrak Ketara
- Tiada kontrak-kontrak yang ketara yang telah disertai oleh Syarikat atau subsidiari-subsidiarinya yang melibatkan kepentingan Pengarah dan pemegang saham ketara (selain daripada transaksi-transaksi dengan pihak berkaitan yang berulang seperti yang dibentangkan pada Nota 33 di dalam penyata kewangan dan di mana mandat umum telah diperolehi daripada pemegang-pemegang saham)
- semenjak tahun kewangan berakhir yang lalu atau setakat penghujung tahun kewangan.
- Keperluan-keperluan pendedahan yang lain di bawah Bahagian A Jadual 9C Keperluan-keperluan Penyenaraian Bursa Malaysia yang tidak disenaraikan di atas adalah tidak berkaitan bagi tahun kewangan berakhir 31 Disember 2005.
- Transaksi-transaksi Berulang dengan Pihak Berkaitan mengenai Perolehan atau Berunsur Perdagangan ("RRPT")**
- Berdasarkan Mandat Pemegang Saham bagi Transaksi-transaksi Berulang dengan Pihak Berkaitan yang Berunsur Perolehan ("RRPT") yang diperolehi semasa Mesyuarat Agung Tahunan pada 28 April 2005, transaksi-transaksi berkaitan bagi tahun kewangan berakhir 31 Disember 2005 adalah seperti berikut:

Jenis Transaksi-transaksi Berulang Pihak Berkaitan	Pihak Bertransaksi	Amaun Diluluskan (RM'000)	Transaksi-transaksi di dalam Tempoh Jan hingga Dis 2005 (RM'000)
Transaksi-transaksi dengan syarikat-syarikat di mana Pengarah-pengarah Syarikat tertentu adalah Pengarah-pengarah dan pemegang saham utama:			
Yuran pengurusan akan diterima	Pinsah Plantations Sdn Bhd <sup>(1)</sup> Renown Yield Sdn Bhd <sup>(1)</sup>	108 17	108 17
Bengkel, peralatan dan yuran penyelenggaraan jalan	Syarikat Sri Mesapol (KP) Sdn Bhd <sup>(1)</sup>	10	0
Penyediaan servis audit dalaman	Tung Hup Holdings Sdn Bhd <sup>(1)</sup>	30	30
Pembelian buah tandan segar	Pinsah Plantations Sdn Bhd <sup>(1)</sup> Renown Yield Sdn Bhd <sup>(1)</sup>	12,600 1,500	11,892 1,014
Pembelian koko	Tentu Permai Sdn Bhd <sup>(1)</sup>	21	17
Yuran penyelenggaraan perisian dan perkakasan & perundingan IT	Pinsah Plantations Sdn Bhd <sup>(1)</sup> Tung Hup Holdings Sdn Bhd <sup>(1)</sup>	23 9	24 0
Penjualan Perisian Perladangan	Pinsah Plantations Sdn Bhd <sup>(1)</sup>	80	0
Sewaan bangunan perlu dibayar (2)	Tung Hup Holdings Sdn Bhd <sup>(1)</sup>	160	62
Pengangkutan, bahan-bahan dan bekalan buruh	Pinsah Plantations Sdn Bhd <sup>(1)</sup>	150	0
Pelupusan aset tetap	Pinsah Plantations Sdn Bhd <sup>(1)</sup>	0	105

## PENDEDAHAN LAIN

Jenis Transaksi-transaksi Berulang Pihak Berkaitan	Pihak Bertransaksi	Amaun Diluluskan (RM'000)	Transaksi-transaksi di dalam Tempoh Jan hingga Dis 2005 (RM'000)
Transaksi-transaksi dengan seorang Pengarah Syarikat di mana beliau juga merupakan Pengarah dan pemegang saham utama			
Sewaan bangunan perlu dibayar (3)	Linta Holdings Sdn Bhd	14	14
Sewaan bangunan perlu dibayar (4)	Lei Lin Thai	121	121
Transaksi-transaksi dengan seorang Pengarah Syarikat atau individu yang berkaitan dengan seorang Pengarah Syarikat.			
Yuran konsultasi perniagaan perlu dibayar	Rohana Tan Sri Mahmood <sup>(6)</sup>	24	24
	Zainal Abidin Bin Tan Sri Mahmood <sup>(7)</sup>	36	36
Transaksi dengan seorang Pengarah subsidiari atau dengan sebuah Syarikat di mana beliau juga merupakan Pengarah dan pemegang saham utama.			
Yuran Rundingan Onkologi yang perlu dibayar (8)	Malaysian American Cancer Center Sdn Bhd	700	447

## Nota-nota:-

- (1) Pengarah-pengarah Syarikat bernama Lei Lin Thai, Wong Ah Kow dan Tam Kam Too adalah juga Pengarah-pengarah dan pemegang-pemegang saham utama, secara langsung atau tidak, di dalam pihak-pihak bertransaksi. Tung Hup Holdings Sdn Bhd merupakan pemegang saham utama Syarikat.
- (2) Bangunan-bangunan ini terletak di TB1832 Batu 2, Jalan Apas, 91000 Tawau, Sabah.
- (3) Bangunan in terletak di Tingkat 2, Lot A, Blok C-8, Sentosa Court, Batu 2-5, Jalan Utara, 90000 Sandakan, Sabah.
- (4) Bangunan ini terletak di Unit 50-07-01 dan 50-07-02, Tingkat 7, Wisma UOA Damansara, No.50, Jalan Dungun, Bukit Damansara, 50490 Kuala Lumpur.
- (5) Mengenai sewaan bangunan-bangunan yang dinyatakan di (2), (3) dan (4) di atas, pajakan adalah tidak melebihi 3 tahun dan tidak melibatkan pembayaran secara sekaligus.
- (6) Rohana Tan Sri Mahmood adalah seorang Pengarah Bebas & Bukan Eksekutif Syarikat.
- (7) Zainal Abidin bin Tan Sri Mahmood adalah saudara Rohana Tan Sri Mahmood, seorang Pengarah Bebas & Bukan Eksekutif Syarikat.
- (8) Dr. Selvaratnam a/l Govindaraju adalah seorang Pengarah Asiaprise Biotech Sdn. Bhd. (sebuah subsidiari milik penuh TH Group Berhad).

## CORPORATE SOCIAL RESPONSIBILITY STATEMENT



The principal idea of Corporate Social Responsibility (CSR) is that a company's performance should not just be measured according to its economic value but also its impact on society and the environment. At TH Group, fulfilling our social responsibilities is a high priority.

We established CSR to make a difference in the lives of the underprivileged children and youth across the nation. Launched in the first quarter of 2005, the CSR Programme aims to promote science and technology education focusing on rural schools and underprivileged children.

The Group believes in the great potential of these children and youth. Hence, the best preparation is to provide them the learning opportunities to explore and be better equipped so that they can remain competitive in today's Science and Technology based economy.

Through this programme, we hope to instill enthusiasm and passion for science among young scholars who are our future. We aim to position the Group as a socially responsible corporate citizen by giving back to society in a meaningful way. Also, we seek to create a specific CSR niche / platform for the Group to own. This programme can motivate employees, increase staff moral and enhance work ethics and culture.

The Orang Asli School in Klang Valley, Sekolah Kebangsaan Bukit Lanjan was selected to pioneer the "Growing Scientist Tomorrow" life sciences program. This programme was jointly executed by TH Group and AMDON Malaysia, a group of life science specialists. It encompasses the basics of forensics science, to give school children a better understanding and awareness of life sciences.

The TH Group will continue to be involved in more activities and community events to bring cheer and joy to the underprivileged. For we simply believe that... "Together We Make a Difference! Together We Impact Lives!".

## PENYATA TANGGUNGJAWAB SOSIAL KORPORAT



Prinsip utama Tanggungjawab Sosial Korporat (CSR) mementingkan bahawa prestasi sesebuah syarikat seharusnya bukan sahaja dinilai dari segi ekonomi tetapi juga peranannya dalam masyarakat dan persekitarannya. Di TH Group, kami sesungguhnya mengutamakan penunaian tanggungjawab sosial kami.

Kami menubuhkan CSR sesungguhnya untuk membantu hidup kanak-kanak yang kurang berupaya dan belia di seluruh negara. Program CSR telah dilancarkan pada suku pertama tahun 2005 dan matlamat utamanya adalah untuk menggalakkan pendidikan sains dan teknologi terutamanya di antara golongan sekolah-sekolah luar bandar dan kanak-kanak kurang berupaya.

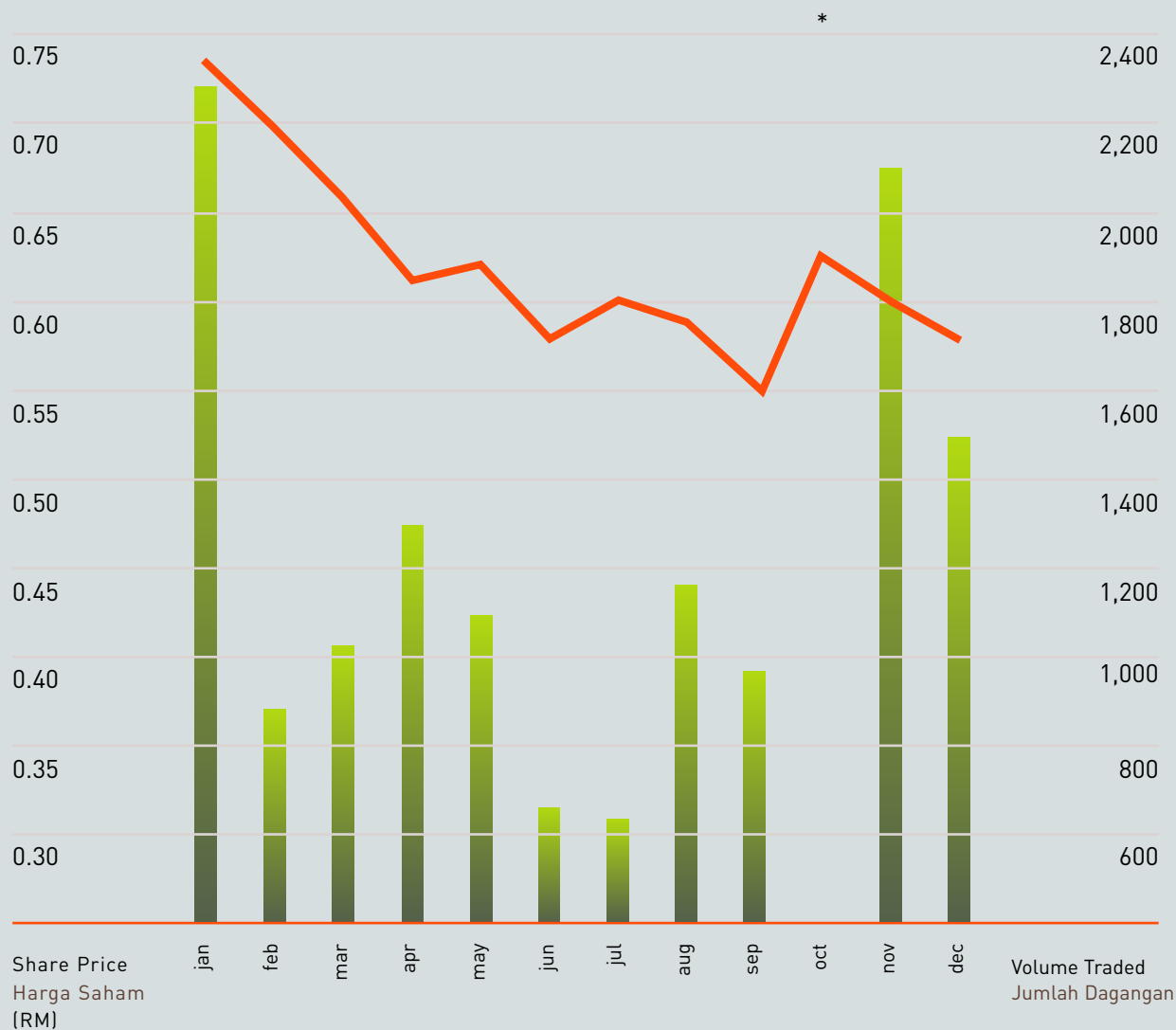
TH Group yakin dalam potensi terpendam golongan kanak-kanak dan belia ini. Oleh itu, bantuan terbaik adalah untuk menyediakan peluang pendidikan supaya mereka boleh lebih bersedia lengkap untuk menghadapi cabaran-cabaran dunia ekonomi hari ini yang berdasarkan Sains dan Teknologi.

Menerusi program ini, kami berharap dapat menanamkan semangat dan minat yang mendalam terhadap bidang sains di antara penuntut-penuntut muda yang merupakan masa depan kita. Matlamat kami adalah untuk membentuk TH Group sebagai warganegara korporat yang mementingkan tanggungjawab sosialnya dengan membantu masyarakat menerusi kaedah-kaedah yang berkesan. Tambahan pula, kami ingin membentuk sebuah pelantar CSR TH Group yang tersendiri. Program ini juga boleh memotivasikan para pekerja, meningkatkan moral dan juga etika dan budaya kerja.

Sekolah Kebangsaan Bukit Lanjan, sebuah Sekolah Orang Asli di Lembah Kelang telah dipilih untuk merintis program sains kemasyarakatan "Growing Scientist Tomorrow". Program ini telah dilaksanakan bersama oleh TH Group dan AMDON Malaysia, sebuah kumpulan yang terkhusus dalam bidang sains kemasyarakatan. Program ini merangkumi prinsip-prinsip asas sains forensik, untuk memberi kanak-kanak sekolah kefahaman dan kesedaran sains kemasyarakatan yang lebih baik.

TH Group akan terus sentiasa terlibat dalam aktiviti-aktiviti dan acara-acara kemasyarakatan untuk membawa kegembiraan dan keceriaan kepada golongan yang kurang berupaya, kerana kami sememangnya percaya bahawa... "Bersama Kita Membawa Perubahan! Bersama Kita Membentuk Kehidupan!"

# SHARE PERFORMANCE PRESTASI SAHAM



■ Share Price Harga Saham    
 ■ Volume Traded Jumlah Dagangan

	<b>RM</b>
Highest Price Traded Harga Saham Tertinggi	0.77
Lowest Price Traded Harga Saham Terendah	0.51
Closing Price at Harga Tutup pada 31 December 2005	0.56

\* October Volume Traded Jumlah Dagangan Oktober 21,426

## WARRANT PERFORMANCE PRESTASI WARAN



■ Waran Price Harga Waran    
 ■ Volume Traded Jumlah Dagangan

	<b>RM</b>
Highest Price Traded Harga Waran Tertinggi	0.22
Lowest Price Traded Harga Waran Terendah	0.05
Closing Price at Harga Tutup pada 31 December 2005	0.08

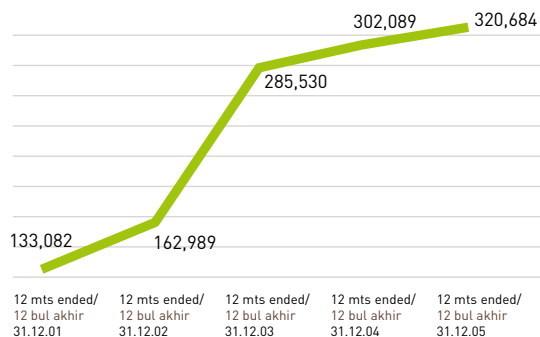
\* (i) October Volume Traded Jumlah Dagangan Oktober 80,193

\* (ii) November Volume Traded Jumlah Dagangan November 18,579

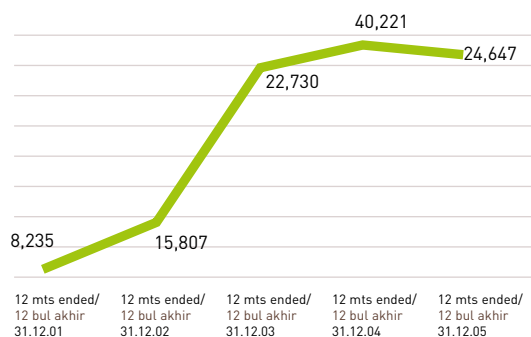
# SUMMARISED 5-YEAR GROUP FINANCIAL HIGHLIGHTS

## RINGKASAN MAKLUMAT KEWANGAN KUMPULAN BAGI TEMPOH 5-TAHUN

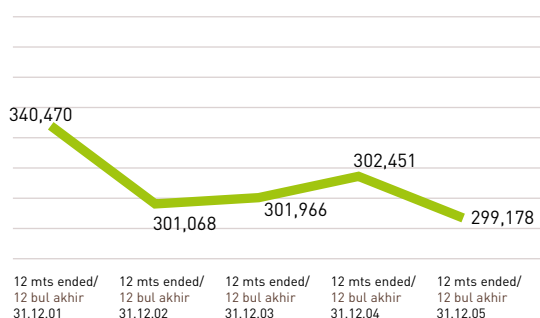
**REVENUE**  
**PENDAPATAN**  
(RM'000)



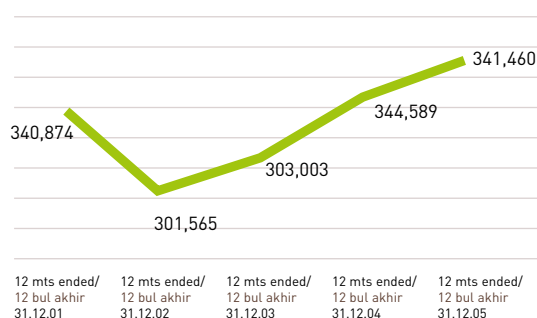
**PROFIT BEFORE TAX**  
**KEUNTUNGAN SEBELUM CUKAI**  
(RM'000)



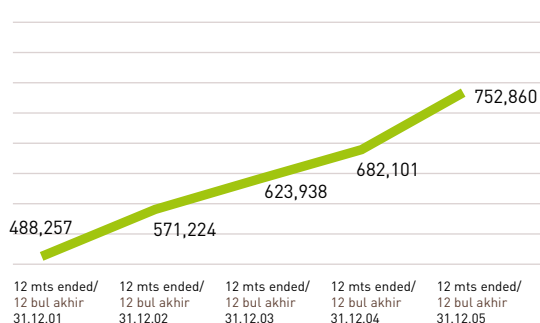
**NET TANGIBLE ASSETS**  
**ASET KETARA BERSIH**  
(RM'000)



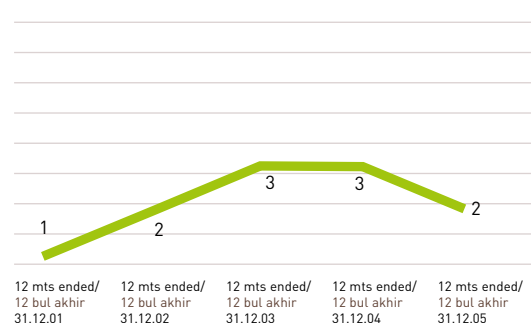
**SHAREHOLDERS' FUND**  
**DANA PEMEGANG SAHAM**  
(RM'000)



**TOTAL ASSETS**  
**JUMLAH ASET**  
(RM'000)



**DIVIDEND RATE**  
**KADAR DIVIDEN**  
(%)



# SECURING

## a stronger future together

The future of TH Group is fortified through its value system that stems from the belief that its employees' participation, contribution and accountability will bring forth the Group's vision and success of the future. A future where employees think like co-owners and make decisions on the strength of the company's future interest, creating a "win-win" situation.



## BERSAMA MENJAMIN masa depan yang lebih teguh

Masa depan TH Group diperkukuhkan menerusi sistem penilaiannya yang lahir daripada kepercayaan bahawa kerjasama, sumbangan dan tanggungjawab para pekerjanya akan menjayakan visi masa depan TH Group. Kumpulan mengilhamkan suatu masa depan yang para pekerja menganggap syarikat ini sebagai milik mereka sendiri dan seiring itu mengambil keputusan-keputusan yang memanfaatkan kedudukan masa depan syarikat, justeru membentuk situasi yang bermanfaat untuk semua.