

As a result the Audit and Risk Management Committee was split into two Committees on 10 January 2011, which are the Audit and Compliance Committee and the Risk Management Committee. As a result of the split, the key risks which are identified through the risk management process and the system of internal control to manage those risks are reported to the Senior Management and Board Committee, referred to as the Executive Risk Management Committee (*previously Risk Management Council*) and the Risk Management Committee (*previously the Audit and Risk Management Committee*).

The Group Internal Audit independently reviews the adequacy and integrity of the system of internal control in managing the key risks and formerly, reports accordingly to the Audit and Risk Management Committee on a quarterly basis. With the split of the audit and risk function into two separate Board Committees, the Group Internal Audit reports its review of the adequacy and integrity of the systems of the internal control to the Audit and Compliance Committee. Where weaknesses have been identified as a result of the reviews, improvement measures are recommended to strengthen controls; and follow-up audits are conducted by Group Internal Audit to assess the status of implementation thereof by management. In carrying out its work, in addition to the approved annual audit plan, the Group Internal Audit also focuses on areas of priority as directed by the Audit and Compliance Committee.

The Group has a Project Review Committee (*previously known as Project Review Council*) (“PRC”) to provide added assurance in the feasibility evaluation of project/investment proposals and subsequent evaluation of the progress and results of endorsed project/investment through a process of due scrutiny. The PRC provides feedback and recommendation on projects/CAPEX/investments/annual budget to the Finance & Investment Committee (“FIC”). Where areas for improvement are identified including any relating to projects/investments, the Board considers the recommendations made by the FIC and provides appropriate direction.

Management reports are presented to the Board each quarter providing financial information including key performance and risk indicators. This information are reviewed and verified by the Audit and Compliance Committee before it is presented to the Board for consideration and approval.

The Board remains committed towards maintaining a sound system of internal control and believes that a balanced achievement of the Group’s business objectives and operational efficiency can be attained. The Group continues to take measures to further strengthen the internal control environment.

Statement on Director’s Responsibility

As required under the Companies Act 1965 (“Act”), the Directors on pages 21 to 28 of this Annual Report have made a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the financial position of the Company and the Group for the financial year ended 31 December 2010.

In the process of preparing these financial statements, the Directors have reviewed the accounting policies and practices to ensure that they were consistently applied throughout the year. In cases where judgment and estimates were made, they were based on reasonableness and prudence.

Additionally, the directors have relied on the system of internal controls to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

This statement is made in accordance with a resolution of the Board of Directors dated 29 April 2011.