



## DIRECTORS' REPORT for the year ended 31 December 2012

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2012.

### PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiary are as stated in note 5 of the financial statements. There has been no significant change in the nature of these principal activities during the financial year.

### RESULTS

	<b>Group RM'000</b>	<b>Company RM'000</b>
Profit for the year attributable to owners of the Company	26,014	20,924

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

### DIVIDENDS

Since the end of the previous financial year, the Company declared and paid:

- i) a final ordinary dividend of 9.71 sen per share, tax exempt under the single-tier system and ordinary dividend of 1.55 sen per ordinary share less tax at 25% (1.16 sen net per ordinary share) totalling RM15,097,000 in respect of the financial year ended 31 December 2011 on 29 June 2012; and
- ii) an interim ordinary dividend of 3.50 sen per share, tax exempt under the single-tier system totalling RM4,859,000 in respect of the year ended 31 December 2012 on 9 November 2012.

The ordinary dividends recommended by the Directors in respect of the financial year ended 31 December 2012 is 10.50 sen per ordinary share, tax exempt under the single-tier tax system, totalling RM14,576,000.

## DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

Tan Sri Dato' Dr. Abu Bakar bin Suleiman  
Tan Sri Dato' Dr. Jegathesan a/l N M Vasagam @ Manikavasagam  
Datuk Alias bin Ali  
Haji Ghazali bin Awang  
Amirul Feisal bin Wan Zahir

## DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the ordinary shares of the Companies and of its related companies (other than wholly-owned subsidiary) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.50 each			At 31.12.2012
	At 1.1.2012	Bought	Sold	
<b>Tan Sri Dato' Dr. Abu Bakar bin Suleiman</b>				
Interest in the Company:				
– own	286,400	-	-	286,400
– others#	22,000	-	-	22,000
<b>Tan Sri Dato' Dr. Jegathesan a/l N M Vasagam @ Manikavasagam</b>				
Interest in the Company:				
– own	34,120	-	-	34,120
<b>Haji Ghazali bin Awang</b>				
Interest in the Company:				
– own	72,000	15,000	-	87,000

# Zufar Suleiman bin Abu Bakar and Halina Jael binti Abu Bakar are the children of Tan Sri Dato' Dr. Abu Bakar bin Suleiman. In accordance with Section 134(12)(c) of the Companies Act, 1965, the interests and deemed interests of Zufar Suleiman Abu Bakar and Halina Jael binti Abu Bakar in the shares of the Company and of its related companies (other than wholly-owned subsidiaries) shall also be treated as the interests of Tan Sri Dato' Dr. Abu Bakar bin Suleiman.

None of the other Directors holding office as at 31 December 2012 had any interest in the ordinary shares of the Company and of its related companies during the financial year.



## DIRECTORS' REPORT cont'd for the year ended 31 December 2012

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related company with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

### HOLDING COMPANIES

The immediate and intermediate holding companies during the financial year were CCM Marketing Sdn. Bhd. and Chemical Company of Malaysia Berhad (a public listed company), respectively. The ultimate holding company during the financial year was Permodalan Nasional Berhad. All the holding companies were incorporated in Malaysia.

### ISSUE OF SHARES AND DEBENTURES

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

### OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

### OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and the Company misleading, or

**OTHER STATUTORY INFORMATION (CONTINUED)**

- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2012 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

**AUDITORS**

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

**Tan Sri Dato' Dr. Abu Bakar bin Suleiman**

**Haji Ghazali bin Awang**

Kuala Lumpur,  
Date: 22 March 2013