



The Directors have pleasure in submitting their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2007.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and providing management services. The principal activities of the Group consist of general and life insurance businesses, family takaful and all classes of general takaful businesses, investment holding, hire purchase, leasing and other credit activities, unit trust, property management, fund management and investment advisory, security and consultancy services.

There have been no significant changes in the nature of these activities for the Group and the Company other than the commencement of takaful businesses by a subsidiary company, namely MAA Takaful Berhad, during the financial year.

## FINANCIAL RESULTS

	GROUP RM'000	COMPANY RM'000
(Loss)/profit for the financial year	(73,267)	19,981

## DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final tax exempt dividend of 2 sen per share, totalling RM6,087,000, on 10 August 2007 in respect of the financial year ended 31 December 2006, as shown in the Directors' report of that financial year.

The Board of Directors does not recommend any payment of dividend in respect of the financial year ended 31 December 2007.

## RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are shown in the financial statements.

## DIRECTORS

The Directors who have held office during the period since the date of the last report are:

Tunku Tan Sri Abdullah Ibni Almarhum Tuanku Abdul Rahman	
Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah	
Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah	
Major General (Rtd) Lai Chung Wah	
Dato' Iskandar Michael bin Abdullah	
General Dato' Sri Hj Suleiman bin Mahmud (Rtd)	
Tan Sri Ahmad bin Mohd Don	
Datuk Razman Md Hashim bin Che Din Md Hashim	
Muhamad Umar Swift	
Yeo Took Keat	
Dr Zaha Rina binti Zahari	(appointed on 01.11.2007)
Datuk Ramlan bin Abdul Rashid	(resigned on 24.08.2007)
Tunku Dato' Seri Iskandar bin Tunku Tan Sri Abdullah	(resigned on 12.02.2008)

In accordance with Section 129(6) of the Companies Act, 1965, Tunku Tan Sri Abdullah Ibni Almarhum Tuanku Abdul Rahman and Major General (Rtd) Lai Chung Wah retire and they, being eligible, offer themselves for re-election.

In accordance with Article 73 of the Company's Articles of Association, Tunku Dato Ya'acob bin Tunku Tan Sri Abdullah and Yeo Took Keat retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

In accordance with Article 79 of the Company's Articles of Association, Dr Zaha Rina binti Zahari, who was appointed during the period, retires at the forthcoming Annual General Meeting and, being eligible, offers herself for re-election.

# Director's Report (continued)

## DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares in the Company are as follows:

Company	Number of ordinary shares of RM1 each			
	At 1.1.2007/ date of appointment	Acquired	Disposed	At 31.12.2007
Tunku Tan Sri Abdullah Ibni Almarhum Tuanku Abdul Rahman - Indirect *	103,778,684	-	-	103,778,684
Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah - Direct - Indirect *	1,237,500 103,778,684	- -	- -	1,237,500 103,778,684
Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah - Indirect *	103,778,684	-	-	103,778,684
Tan Sri Ahmad bin Mohd Don	-	1,000,000	-	1,000,000
Datuk Razman Md Hashim bin Che Din Md Hashim	-	80,000	-	80,000
Yeo Took Keat	80,000	-	-	80,000

\* Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965, held through Melewar Equities Sdn Bhd and Melewar Khyra Sdn Bhd, companies in which the above mentioned Directors have a direct/indirect interest.

By virtue of the above mentioned Directors' interests in the shares of the Company, they are also deemed to have a substantial interest in the shares of the subsidiary companies of the Company to the extent the Company has an interest.

None of the other Directors in office at the end of the financial year held any interest in shares in, or debentures of, the Company or its related corporations during the financial year.

## DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than Directors' remuneration, fees paid to a company in which certain Directors have an interest and benefits provided to Directors as disclosed in note 32 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

## STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets were made out, the Directors took reasonable steps:

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and Company had 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:

- which would render the amounts written off for bad debts or the amounts of the allowance for doubtful debts in the financial statements of the Group and Company inadequate to any substantial extent; or



## STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (continued)

- (b) which would render the values attributed to current assets in the financial statements of the Group and Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

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

For the purpose of the above paragraph, contingent or other liabilities do not include liabilities arising from contracts of insurance underwritten in the ordinary course of business of the insurance subsidiary companies of the Company.

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

- (a) any charge on the assets of the Group or Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group's and the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or Company for the financial year in which this report is made.

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) MAA Takaful Berhad ("MAA Takaful"), a subsidiary company of the Company, had on 12 June 2007 allotted 99,999,998 ordinary shares of RM1.00 each comprising 74,999,998 and 25,000,000 ordinary shares to the Company and Solidarity Company BSC (Closed) ("Solidarity") respectively. Subsequent to the allotment, the total issued and paid up capital of MAA Takaful increased to RM100,000,000 and the equity participation of the Company and Solidarity in MAA Takaful is 75% and 25% respectively.

Bank Negara Malaysia had via its letter dated 15 June 2007 registered MAA Takaful as a takaful operator under Section 8 of Takaful Act 1984 to undertake family takaful and general takaful businesses effective from 1 July 2007.

- (b) On 13 December 2007, Columbus Capital Singapore Pte Ltd ("CCS"), a wholly-owned subsidiary company of MAA International Investments Ltd which in turn a wholly-owned subsidiary of the Company, subscribed for 3,500,000 preference shares at an issue price of AUD1.00 per share, being 9.1% of the enlarged equity interest in Columbus Capital Pty Limited ("CCAU"), an associated company for a total cash consideration of AUD 3.5 million ("the Subscription"). The cash consideration was satisfied by way of internally generated funds.

Upon completion of the Subscription, CCS held a total of 18.5 million preference shares representing 48.1% equity interest in CCAU.

## AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 29 April 2008.

**MUHAMAD UMAR SWIFT**  
DIRECTOR

**YEO TOOK KEAT**  
DIRECTOR

Kuala Lumpur  
29 April 2008