The Group also works closely with both the in-house and national union to ensure fair labour practices are in place. Labour rates are regularly benchmarked with the industry to ensure our employees receive a fair days pay for a fair days work. The Group also offers subsidised canteen and free uniforms for factory workers.

Towards achieving the Group's staff personal development goals, comprehensive trainings and development courses are offered to employees, to further enhance their skills and knowledge.

The Group prides itself on its equal opportunity employment practices, with all ethnic groups fairly represented. The Group's staff ethnic proportions are 49% Malays, 29% Chinese, 14% Indian and 8% others, which is broadly in line with the Malaysian population.

To promote healthy lifestyle for its staff, the Group has organised regular sporting and fitness activities like badminton, futsal, football, netball and aerobics. This year, the Group's staff also participated in a walkathon organised by Department Of Safety and Health. The Group also actively encourages interaction amongst its staff to instill a sense of belonging via initiatives such as an inter-departmental bowling tournament, a treasure hunt, festive celebrations, and a family oriented sports day.

3. COMMUNITY

The Group also contributes to the community through several sponsored sporting events throughout the year, for example, Kosmo Futsal, Revive-Sports Planet Ultimate Champions League Futsal Tournament, Neighbourhood Fun with The Sun, Men's Health Run, Admiral Futsal, Sports Unite Sports Carnival, BHP Orange Run, Nutrition Month Malaysia and the Shape Run.

During the financial year, the Group also embarked on extensive print and television advertorial campaign educating the public on the health benefits of drinking juice as well and the rehydrating properties of isotonic beverages.

The Group also makes regular contributions to community and charitable organisations (e.g. schools and orphanages) in the form of goods and/or monetary donations.

The Group continues to help build its communities intellectual capital via management trainee programs, industrial trainee program and factory tours by schools, universities and government agencies.

4. ENVIRONMENT

The Group is principally committed to ensure that it actively minimises the impact of its business operations have on the environment. The Group feels that it plays its part by managing its environmental impact in the following areas:

- Raw materials – reduce raw material wastage and/or utilisation via our ongoing product wastage elimination program and product and packaging design optimisation
- Waste management – through treating all our wastes in accordance with Department of Environment regulations
- Energy and water conservation - through our ongoing optimisation of production processes
- Supply chain management – though optimising pallet configuration to reduce freight and logistics and via usage of recycled pallets and packaging materials

The Group also actively sponsors various environmental campaigns. This year, the Group sponsored the Revive Go Green Campaign in conjunction with 7 Eleven. As a further boost for the environment, Permanis Sdn Bhd in conjunction with World Environment Day, gave away 20,000 used aluminium cans to Forest Research Institute of Malaysia (FRIM) to kickstart a Recycling Campaign to encourage members of the public to carry out the culture of reduce, reuse and recycle. In addition the Group also ran the '7Up Hijaukan Duniamu Contest' where for every contest entry received during a specified period, 7 Up has pledged to contribute RM0.20 to support Wild Asia's Plant-A-Tree Program. Wild Asia is a social enterprise working to support the conservation of natural areas and the communities dependent on their resources. Its Plant-A-Tree Program is a yearly initiative to bolster the natural habitats outside of protected areas.

The Group also helps its consumers minimise their impact on the environment. For example, its Tap-ware and Sanitary ware Divisions, Doe Industries Sdn Bhd/Potex Industries Sdn Bhd (Doe/Potex), actively promote its range of water saving line of products (e.g. water saving showers and cisterns) to help its consumers save water and the environment. It also offers a range of showers specially designed to work in areas where water pressure is low preventing the need for, and environmental impact of, using a pump.

statement on corporate **governance**

The Board of Directors is committed to ensuring that the highest standard of corporate governance is observed by C.I. Holdings Berhad and its subsidiaries ("the Group"). By upholding integrity and professionalism in its management of the affairs of the Group, the Board aims to enhance business efficacy, transparency and corporate accountability.

Thus, the Board is pleased to report that during the financial year ended 30 June 2009, it had continued to practise good corporate governance in directing and managing the business affairs of the Group and discharging its principal responsibility of protecting and enhancing long term shareholders' value and financial performance of the Group as well as the interests of other stakeholders.

The Board of Directors considers that the Group has applied the principles, and the extent of compliance with the best practices and good governance as set out in Part 1 and Part 2 respectively of the Malaysian Code on Corporate Governance ("the Code") throughout the financial year ended 30 June 2009.

1. BOARD OF DIRECTORS

1.1 Board Composition and Balance

The Board, with its collective and overall responsibility in leading and directing the Company's strategic affairs, has the ultimate responsibility for corporate governance and plays a key role in charting the vision, strategic direction, development and control of the Group as well as overseeing the investment of the Company.

The Company is led and managed by an experienced Board comprising of members with a range of experience in relevant fields such as beverages, business administration, public service, legal, accountancy and organisational development.

The Board as at the date of this Statement, comprises eight (8) members, out of which six (6) are independent non-executive Directors. The Company has thus complied with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") which requires that at least two (2) Directors or one third (1/3) of the Board of Directors, whichever is higher to be independent. Profiles of the Directors are set out on pages 8 to 11 of this Annual Report. The Company also meets corporate governance international best practice by having a majority independent board.

Major shareholders of the Company namely Datuk Johari Bin Abdul Ghani, Duclos Sdn Bhd, Leasing Corporation Sdn Bhd, Syed Ibrahim Sdn Bhd, Du Ain Sdn Bhd, Sisma Vest Sdn Bhd and Sisma Water Technology Sdn Bhd are well represented in the Board of the Company.

1.2 Roles and Responsibilities of the Chairman and the Managing Director

The roles of the Chairman and Managing Director are separated with a clear division of responsibilities between them to ensure balance of power and authority. The Chairman leads the strategic planning at the Board level, whilst the Managing Director is responsible for the implementation of the policies laid down and executive decision making. Nevertheless, all Board members bring an independent judgement to bear on issues of strategy, performance, risk management, resources and standards of conduct.

1.3 Duties and Responsibilities of the Board

There is a schedule of matters reserved specifically for the Board's decision, including reviewing and approving the Group's quarterly and annual results, the business plan, the direction of the Group, new investment and business proposals, the management/performance of the business of subsidiaries, corporate plans and annual budgets, acquisitions and disposals as well as material agreements, major capital expenditures and long term plans.

1.4 Board Meetings and Attendance

Board meetings are scheduled in advance at the end of the previous financial year prior to the commencement of the new financial year to enable Directors to plan ahead and fit the year's meetings into their own schedules. To ensure effective management of the Group, the Board meets at least four (4) times a year with additional meetings taking place when necessary.

During the financial year ended 30 June 2009, five (5) Board meetings were held, to review the Group's operations, to approve the quarterly financial results and year-end financial statements and other matters such as the business plan, the direction of the Group, new investment and business proposals. A summary of the attendance of each Director at the Board meetings held during the financial year under review is as follows :-

Directors	No. of Board Meetings Attended	Percentage (%)
Dato' Seri Abdul Ghani Bin Abdul Aziz	5/5	100
Datuk Johari Bin Abdul Ghani	5/5	100
Maj. Gen. (R) Dato' Mohamed Isa Bin Che Kak	5/5	100
Nor Hishammuddin Bin Dato' Mohd Nordin	4/5	80
Dato' Azmeer Bin Rashid	5/5	100
Datuk Wira Syed Ali Bin Tan Sri Syed Abbas Alhabshee	3/5	60
Datin Mariam Prudence Binti Yusof	4/5	80
Teh Bee Tein (Appointed on 15.04.2009)	1/1	100
Chan Peng Chiw (Deceased on 13.02.2009)	4/4	100

1.5 Supply of Information

All Directors are provided with an agenda and board papers prior to every Board meeting to enable the Directors to obtain further explanations or information, where and when necessary, in order to be properly briefed before the meeting. In addition to quantitative information, the Directors are also provided with updates/information relevant to the business of the meeting, including management information on the financial and trading position of the Group. Senior management staff and external advisors may be invited to attend Board meetings, to advise and provide the Board with detailed explanations and clarification on certain matters that are tabled to the Board.

The Company Secretary attends all Board meetings and is responsible for ensuring that the Board procedures as well as statutory and regulatory requirements relating to the duties and responsibilities of the Directors are complied with. The Company Secretary also records all the deliberations including pertinent issues, the substance of inquiries and responses, Board members' suggestions and the decisions made in the minutes of the Board meetings.

In furtherance of their duties, all Directors are empowered to seek independent external professional advice at the expense of the Company.

1.6 Appointments to the Board

The Nomination Committee scrutinises the sourcing and nomination of suitable candidates for appointment as Director of the Company before recommending to the Board for approval. The selection criteria for the new candidates for directorship encompass the required mix of skills, functional knowledge, experience, integrity and professionalism to ensure that the candidates will contribute significantly to the effectiveness of the Board.

1.7 Re-election of Directors

In accordance with the Company's Articles of Association, one-third (1/3) or the number nearest to one-third (1/3) of the Directors for the time being shall retire from their office and be eligible for re-election provided always that all the Directors shall retire from their office once at least in each three (3) years. Any person appointed by the Board either to fill a casual vacancy or as an addition to the existing Directors, shall hold office only until the next annual general meeting and shall then be eligible for re-election.

2. BOARD COMMITTEES

In order to ensure the effective discharge of its fiduciary duties and execution of specific responsibilities, the Board has established various Board Committees to assist the Board in the running of the Group. All the Committees listed below do not have executive powers but report to the Board on all matters considered and recommend the same to the Board for approval.

2.1 Audit Committee

The Audit Committee reviews issues of accounting policy and presentation for external financial reporting, monitors the work of the internal audit function and ensures an objective and professional relationship is maintained with the external auditors. The Audit Committee has full access to the auditors, who in turn, have access at all times to the Chairman of the Audit Committee.

A report detailing the membership, terms of reference of the Audit Committee and its activities carried out during the financial year ended 30 June 2009 are set out under the Audit Committee Report.

2.2 Remuneration Committee

For the financial year ended 30 June 2009, the Remuneration Committee comprised of three (3) members, appointed by the Board of Directors from amongst the Directors, consisting a majority of independent non-executive directors. For the financial year ended 30 June 2009, the Committee members and the details of attendance of each individual member in respect of meeting held are as follows:-

Directors	Description	No. of Meeting Attended
Nor Hishammuddin Bin Dato' Mohd Nordin	Chairman, Independent Non-Executive Director	1/1
Datuk Johari Bin Abdul Ghani	Managing Director	1/1
Teh Bee Tein (Appointed on 15.04.2009)	Independent Non-Executive Director	N/A
Chan Peng Chiw (Deceased on 13.02.2009)	Senior Independent Non-Executive Director	1/1

The terms of reference of the Remuneration Committee are as follows:-

i) The Remuneration Committee is responsible for recommending to the Board the remuneration packages for Executive Directors and senior management of the Company; and

ii) The remuneration package of Non-Executive Directors should be determined by the Board as a whole. The individuals concerned should abstain from discussion of their own remuneration.

The Remuneration Committee met once during the course of the financial year ended 30 June 2009.

2.3 Nomination Committee

For the financial year ended 30 June 2009, the Nomination Committee comprised three (3) members, all of whom are Independent Non-Executive Directors and the details of attendance of each individual member in respect of meetings held are as follows:-

Directors	Description	No. of Meetings Attended
Dato' Seri Abdul Ghani Bin Abdul Aziz	Chairman, Independent Non-Executive Chairman	2/2
Nor Hishammuddin Bin Dato' Mohd Nordin	Independent Non-Executive Director	2/2
Teh Bee Tein (Appointed on 15.04.2009)	Independent Non-Executive Director	N/A
Chan Peng Chiw (Deceased on 13.02.2009)	Senior Independent Non-Executive Director	1/1

The terms of reference of the Nomination Committee are as follows:-

i) To recommend to the Board for approval, candidates for all directorships to be filled by the shareholders to the Board;

ii) To consider in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and within the bounds of practicability by any other senior executive or any director or shareholder;

iii) To recommend to the Board, directors to fill the seats on Board Committees; and

iv) To review annually the Board's mix of skills and experience and other qualities, including core competences which non-executive directors should bring to the Board and to be disclosed in the Annual Report.

The Nomination Committee is responsible for identifying and recommending new nominees to the Board as well as Committees of the Board. In addition, the Nomination Committee is entrusted with the task of assessing annually the performance of the Board members, considers the balance of the board membership and determines the core competencies and skills required of the Board in order to discharge its duties effectively.

The Nomination Committee met twice during the course of the financial year ended 30 June 2009 and the main activities undertaken by the Committee are as follows :-

i) to recommend to the Board the new candidate for the position of Independent Non-Executive Director; and

ii) to assess the effectiveness of the Board as a whole and the performance of individual Directors.

All assessments and evaluations carried out by the Nomination Committee are properly documented.

3. DIRECTORS' TRAINING

All the Directors have attended and successfully completed the Mandatory Accreditation Programme conducted by Bursa Securities within the stipulated timeframe.

As an integral element of the process of appointing new Directors, the Board ensures that there is an orientation and education programme for new Board members. This is supplemented by visits to key locations and meetings with other key senior executives. Directors also receive further training from time to time, particularly on relevant new laws and regulations and changing commercial risks.

During the financial year under review, all the Directors of the Company had attended in-house training programmes in order to familarise themselves with various aspects of the production processes, such as:

i) Good Manufacturing Practices;

ii) Health and Safety Awareness; and

iii) Food Safety Program.

In addition to the above, Maj Gen (R) Dato' Mohamed Isa Bin Che Kak had also attended the following training during the financial year ended 30 June 2009 :-

i) Internal Control Guidelines (Methodology for the evaluation of internal controls in Corporate Governance); and

ii) Corporate Social Responsibility.

The Board acknowledges that continuous training is important to enable the Directors to effectively discharge their duties. The Board will, on a continuous basis, evaluate and determine the training needs of its Directors.

4. DIRECTORS' REMUNERATION

The Remuneration Committee is responsible for reviewing and recommending to the Board the remuneration framework for Executive Directors including making recommendations to the Board for all elements of remuneration, terms of employment, reward structures and fringe benefits for Executive Directors. Any salary review takes into account market rates and the performance of the individual and the Group.

The remuneration package of Non-Executive Directors is also reviewed by the Remuneration Committee and recommended to the Board thereafter. The Non-Executive Directors' remuneration comprises annual fees that reflect their expected roles and responsibilities, including any additional work and contributions required.

The determination of the remuneration of each Director is a matter for the Board as a whole. Directors do not participate in decision regarding their own remuneration package.

Details of the aggregate remuneration of the Directors, including the non-executive Directors during the financial year ended 30 June 2009, with categorisation into appropriate components and the number of Directors whose remuneration falls into each successive bands of RM50,000 are as follows:-

	Basic Salary RM'000	EPF RM'000	Leave Passage RM'000	Bonus and Allowance RM'000	Benefit-in-kind RM'000	Directors' Fees RM'000	Total RM'000
Executive							
Datuk Johari Bin Abdul Ghani	360	78	40	210	4	-	692
Non-Executive Directors							
Dato' Seri Abdul Ghani Bin Abdul Aziz	-	-	-	7	-	18	25
Nor Hishammuddin Bin Dato' Mohd Nordin	-	-	-	13	-	15	28
Maj Gen (R) Dato' Mohamed Isa Bin Che Kak	-	-	-	10	-	15	25
Datuk Wira Syed Ali Bin Tan Sri Syed Abbas Alhabshee	-	-	-	3	-	15	18
Dato' Azmeer Bin Rashid	-	-	-	5	-	15	20
Datin Mariam Prudence Binti Yusof	-	-	-	4	-	15	19
Teh Bee Tein	-	-	-	3	-	15	18
Chan Peng Chiw	-	-	-	11	-	-	11
Sub-Total	-	-	-	56	-	108	164
Total	360	78	40	266	4	108	856

RM	Executive Director	Non-Executive Directors	Total
50,000 and below	-	8	8
650,001 – 700,000	1	-	1

5. SHAREHOLDERS COMMUNICATION AND INVESTORS RELATION

5.1 Communications between the Company and investors

The Board acknowledges the need to communicate with shareholders on all material business matters affecting the Group. Thus, the Company communicates with its shareholders, institutional investors and investing public at large through a number of readily accessible channels such as corporate announcements made through Bursa Securities, press release, analyst briefings, annual reports as well as through it annual general meeting. In addition, the Board also ensures timely release of the quarterly financial results in order to provide its shareholders with an overview of the Group's financial and operational performance.

Release of Annual Reports	Date of Issue	Deadline imposed by Bursa Securities
Annual Report 2006	9 October 2006	30 October 2006
Annual Report 2007	8 October 2007	30 October 2007
Annual Report 2008	8 October 2008	30 October 2008
Annual Report 2009	18 September 2009	30 October 2009

5.2 Annual General Meeting

The Annual General Meeting ("AGM") remain the principal forum for communication and dialogue with shareholders in which the Board reports on its stewardship to the shareholders and accounts for the Group's performance. It also provides the opportunity for interaction amongst shareholders, Directors and Management where the shareholders are at liberty to raise questions on the meeting agenda. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf.

Notice of the AGM and Annual Report are sent to the shareholders at least twenty one (21) days before the date of the meeting. The Board has ensured each item of special business included in the notice of meeting will be accompanied by an explanatory statement on the effects of the proposed resolution.

Members of the Board and key management of the Company as well as the external auditors of the Company are available to respond to shareholders' questions during the meeting.

5.3 Website

The Company strives to ensure that current shareholders, potential future shareholders, financial community and the general public would have an easy and convenient access to the Group's financial and corporate information via its website at http://www.cih.com.my. The Company also holds regular results briefings with the financial community. The VP-Corporate Finance & Planning, En Syed Khalil bin Syed Ibrahim has been designated to be responsible for all such investor relations matters. Any shareholder or investor of the Company can forward their queries via e-mail to info@cih.com.my.

6. ACCOUNTABILITY AND AUDIT

6.1 Financial Reporting

The Board aims to present a balanced and comprehensive assessment of the Group's financial performance and prospects to the shareholders, investors and regulatory authorities, primarily through the annual financial statements, quarterly financial results announcements and Chairman's Statement in the Annual Report.

Quarterly financial results and annual financial statements are reviewed and deliberated by the Audit Committee to ensure the quality of financial reporting and adequacy of such information, prior to submission to the Board for its approval. The Audit Committee also reviews the appropriateness of the Company's and the Group's accounting policies and the changes to these policies.

6.2 Internal Control

The Directors acknowledge their responsibility for the Group's system of internal control and the need to review its effectiveness regularly via the Company's internal audit department as to safeguard the interests of stakeholders.

Further details of the Group's system of internal control are set out in the Statement on Internal Control section of this Annual Report.

6.3 Related Party Transactions

The Group has in place a procedure to ensure that the Company meets its obligations under the Main Market Listing requirements of Bursa Securities relating to related party transactions.

A list of Related Parties within the Group is disseminated to the various subsidiaries to determine the number and type of related party transactions. All related party transactions are then reviewed by the Internal Auditors and a report on the reviews conducted is submitted to the Audit Committee for their review and monitoring on a yearly basis. The report on the related party transactions enter into by the Group for the year under review are then escalated to the Board of Directors for their notation.

A list of significant related party transactions is set out in Note 35 to the Financial Statements section of this Annual Report.

6.4 Relationship with the Auditor

The Board maintains a transparent and professional relationship with the Company's Auditors both internal and external, through the Audit Committee. The Board, through the Audit Committee, seeks the external auditors' professional advice in ensuring compliance with the provisions of the Companies Act, 1965 and applicable accounting standards in Malaysia.

The Audit Committee meets regularly with the external auditors to discuss the audit plan, scope of audit before the commencement of audit, annual financial statements, and audit findings and make recommendations to the Board for approval.

The details of audit fee payable and non-audit fee paid or payable to the External Auditors are set out below:

	RM'000
Audit fee payable to BDO Binder	235
Non-audit fee paid/payable to BDO Binder	24

A summary of the activities of the Audit Committee during the year as well as the role of the Audit Committee in relation to the external auditors and internal auditors are set out in the Audit Committee section of this Annual Report.

6.5 Relationship with the Management

The Board maintains a close and transparent relationship with all the management staff. The Board is furnished with information relating to the running of the Group's operations through various reports prepared by the management staff. This will allow them to understand the operations better and make decisions in steering the Company towards a profitable business. In addition, the Managing Director also held frequent monthly management meetings with the management staff in order to discuss and plan the Group's operations.

Management seeks Board's approval for significant changes in strategic direction, major capital expenditure items, any major acquisition or divestitures as well as any other issues material issues.

All Directors have access to the advice and services of the Company Secretaries.

7. STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE

The Board is committed to achieving a high standard of Corporate Governance throughout the Group. The Board considers that the Group has complied with the Best Principles as set out in the Code throughout the financial year ended 30 June 2009.

This statement was approved by the Board of Directors on 14 September 2009.

audit **committee report**

The Board of Directors is pleased to present the Audit Committee Report and its activities held throughout the financial year ended 30 June 2009 in compliance with Paragraph 15.15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

1. MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee currently comprises the following members, all of which are Independent Non-Executive Directors. A summary of their respective attendance at the Audit Committee meetings held during the financial year are as follows:-

Member	Total Meetings Attended	Percentage (%)
Maj Gen (R) Dato' Mohamed Isa Bin Che Kak – Chairman Independent Non-Executive Director	5/5	100
Nor Hishammuddin Bin Dato' Mohd Nordin – Member Independent Non-Executive Director	4/5	80
Teh Bee Tein (MIA 3454) – Member Independent Non-Executive Director (Appointed on 15.04.2009)	1/1	100
Chan Peng Chiw (MIA 451) Senior Independent Non-Executive Director (Deceased on 13.02.2009)	4/4	100

The Audit Committee held five (5) meetings during the financial year ended 30 June 2009. The Managing Director of the Company and the Head of Internal Audit attended the Audit Committee meetings upon invitation. Other senior management personnel of the Group also attended the meetings upon invitation by the Audit Committee, as and when necessary. The Company external auditors attended two (2) meetings during the financial year where they were invited to discuss matters relating to the statutory audit. They were also given the opportunity to raise areas of concern without the presence of the Management.

The Chairman of the Audit Committee undertakes a continuing process of engagement with the senior executives of the Company as well as the external auditors so that the Audit Committee is kept up-to-date with all important issues affecting the Company.

During the year, the Audit Committee members attended conferences, seminars and training programmes relevant to their roles and responsibilities.

The Audit Committee has the authority to examine specific issues and report to the Board with their recommendation. The final decision on all matters, however, lies with the entire Board of the Company.

2. TERMS OF REFERENCE

The Terms of Reference of the Audit Committee as approved by the Board are as follows :-

2.1 Composition

The Audit Committee shall be appointed by the Board from amongst its directors and shall consist of not less than three (3) in numbers. All members of the Audit Committee must be non-executive directors, a majority of whom shall be independent directors.

No alternate director is appointed as a member of the Audit Committee.

In the event of any vacancy in the Audit Committee resulting in the number of members reduced to below three (3), the Board shall within three (3) months appoint a new member to fill the vacancy.

2.2 Membership

At least one (1) member of the Audit Committee :-

(a) must be a member of the Malaysian Institute of Accountants; or

(b) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and :-

(i) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or

(ii) he must be a member of one (1) of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or

(c) must have a degree/ master/ doctorate in accounting or finance and at least three (3) years' post qualification experience in accounting or finance; or

(d) must have at least seven (7) years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation; or

(e) possess such other requirements relating to financial-related qualifications or experience as prescribed or approved by Bursa Malaysia Securities Berhad.

2.3 Chairman

The members of the Audit Committee shall elect a Chairman from among their members who shall be an independent non-executive director.

2.4 Quorum

The quorum of the Audit Committee meeting shall not be less than two (2), the majority of whom shall be independent non-executive directors.

2.5 Meeting

(a) the Audit Committee shall have at least four (4) meetings in a financial year and such additional meetings as the Chairman shall decide in order to fulfil its duties;

(b) the Audit Committee meeting shall be chaired by the Chairman; or in his absence, another member who is an independent non-executive director nominated by the Audit Committee;

(c) the Company Secretary shall act as Secretary of the Audit Committee and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting;

(d) the Secretary of the Audit Committee shall be entrusted to record all proceedings of meetings;

(e) the Audit Committee may invite any Board member or any member of the senior management or any employees within the Company or the Group to attend any particular Audit Committee meeting; and

(f) the Audit Committee shall report to the full Board from time to time, its recommendation for consideration and implementation and the final decision shall be the responsibility of the Board.

2.6 Voting and Proceeding of Meeting

The decision of the Audit Committee shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote. Provided that where two (2) members form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question in issue, the Chairman shall not have a casting vote.

Circular Resolutions signed by all the members shall be valid and effective as if it had been passed at a meeting of the Audit Committee.

2.7 Minutes

(a) The Audit Committee shall cause minutes to be duly recorded and entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Audit Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

(b) Minutes of the Audit Committee meetings will be made available to all Board members. A summary of significant matters of each meeting of the Audit Committee and resolutions (if any) will be reported to the Board by the Chairman of the Audit Committee.

(c) The books containing the minutes of proceedings of any meeting of the Audit Committee shall be kept by the Company at the registered office of the Company, and shall be opened for the inspection of any member of the Audit Committee and the Board.

2.8 Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board and at the cost of the Company :-

(a) the authority to investigate any matter within its terms of reference;

(b) the resources which are required to perform its duties;

(c) full and unrestricted access to any information, records, properties and personnel of the Company and of the Group;

(d) direct communication channels with the external auditors and internal auditors;

(e) the right to obtain independent professional or other advice and to invite any person with relevant experience and expertise to attend the Audit Committee meeting whenever deemed necessary; and

(f) the right to convene meeting with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

2.9 Functions and Responsibilities

The functions and responsibilities of the Audit Committee shall include the following :-

(a) to consider the appointment, resignation and dismissal of external auditors and make appropriate recommendations to the Board (including the audit fees);

(b) to review with the external auditors of the Company :-

(i) the audit plan;
(ii) the audit report;
(iii) their management letter and management's response; and
(iv) the assistance given by the employees of the Company and the Group to the external auditors.

(c) to discuss problems and reservations arising from the interim and final audits, and any matter the external auditors may wish to discuss (in the absence of management where necessary);

(d) to review and consider the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;

(e) to review the internal audit programme, processes, the reports prepared by the internal audit department and to ensure that appropriate action is taken on the recommendations of the internal audit function;

(f) to review any appraisal or assessment of the performance of members of the internal audit function;

(g) to approve any appointment or termination of senior members of the internal audit function;

(h) to be informed of any resignation of internal audit staff and provide an avenue for resigning staff to explain or submit the reasons for resignation;

(i) to review the quarterly financial results and annual audited financial statements of the Group before recommending the same for the Board's approval, focusing particularly on :-

(i) compliance with accounting standards and any other legal requirements;
(ii) any changes in or implementation of accounting policies and practices;
(iii) significant and unusual events and adjustments arising from the audit; and
(iv) the going concern assumption.

(j) to review any related party transactions and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that may raise questions on management integrity;

(k) to consider the reports, major findings and management's responses thereto on any internal investigations carried out by internal audit function;

(l) to verify, on an annual basis, the allocation of options under a share scheme for employees to ensure compliance with the allocation criteria determined by the Company's share option committee and in accordance with the By-Laws of the relevant option scheme;

(m) to promptly report to Bursa Malaysia Securities Berhad of a matter reported by the Audit Committee to the Board of Directors which has not been satisfactorily resolved resulting in a breach of the Listing Requirements; and

(n) such other functions or responsibilities as may be agreed to by the Audit Committee and the Board.

The reports of the Audit Committee and the external and internal auditors and corrective actions taken shall be tabled to the Board for discussion.

2.10 Review of the Audit Committee

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

3. ACTIVITIES OF THE AUDIT COMMITTEE

The main activities undertaken by the Audit Committee during the financial year under review were as follows :-

Financial and Operations Review

a) Reviewed the quarterly financial reports and the annual audited financial statements; and

b) Reviewed the application of corporate governance principles and the extent of the Group's compliance with the best practices set out under the Malaysian Code of Corporate Governance in conjunction with the preparation of the Corporate Governance and Internal Control Statements.

External Audit

a) Reviewed and approved the external auditors' scope of work and audit plan;

b) Reviewed with the external auditors the approved accounting standards applicable to the financial statements of the Group and of the Company;

c) Reviewed with the external auditors the results of the audit, the audit report including management's responses on matters highlighted in the report;

d) Reviewed the conduct and considered the remuneration and re-appointment of the external auditors; and

e) Held independent meetings (without the presence of Management) with the external auditors on significant findings in the course of their audit.

Internal Audit

a) Reviewed and approved the internal audit team's scope of work and audit plan;

b) Reviewed the Audit Committee Report for inclusion in the Annual Report 2009;

c) Reviewed the Statement on Internal Control for inclusion in the Annual Report 2009;

d) Reviewed the internal audit reports and reported to the Board on relevant issues.

e) Held independent meetings (without the presence of Management) with the internal auditors on significant findings in the course of their audit.

Related Party Transactions

The Audit Committee reviewed all related party transactions entered into by the Company and the Group to ensure that such transactions are undertaken on normal commercial terms and that internal control procedures employed are both sufficient and effective.

4. INTERNAL AUDIT FUNCTION

The internal audit function of the Group is performed in-house and acts independently on the activities and operations of other operating units. Their principal role is to undertake independent, regular and systematic reviews of the internal control system so as to provide reasonable assurance that the system continues to operate satisfactorily and effectively. The costs incurred for the internal audit function in respect of the financial year ended 30 June 2009 was RM184,900.

During the financial year under review, the internal auditors reviewed and assessed the operational procedures and effectiveness of internal control on all the subsidiaries of the Group. Compliance tests had also been conducted to ascertain the extent of compliance with control procedures and guidelines.

The Group Internal Audit undertakes internal audit function based on the internal audit plan. Other than the scheduled reviews, the Group Internal Audit may undertake special assignments outside the normal scope of its daily activities. Findings and recommendations for improvement as well as Management's response were presented to the Audit Committee and the Board for further deliberation.

During the internal audit process, there were no material internal control failures or significant issues discovered during the financial year.

statement on **internal control**

INTRODUCTION

This Statement on Internal Control is made in accordance with the Malaysian Code on Corporate Governance and paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which requires public listed companies to make a statement about their state of internal control, as a group, in their annual report.

THE BOARD'S RESPONSIBILITY

The Board acknowledges its overall responsibility to maintain a sound system of internal controls and effective risk management practices in the Group to safeguard shareholders' investment and the Group's assets. The Board ensures continuously the adequacy and integrity of the overall internal control system for the Group.

The Board also recognises that there are inherent limitations that exist in any system of internal control, as such the system of internal control is designed to manage rather than eliminate the risk that may impede the achievement of corporate objectives. In this regard, internal control can only provide reasonable assurance but not absolute assurance against material misstatement, loss or fraud.

RISK MANAGEMENT

The Group established a formal risk management framework in year 2004 which enabled the management and the Board to share a common model in the effective communication and evaluation of all principal risks and control. The process involved Management's identification of risks, the assessment of risks and controls and the formulation of appropriate action plans. These are then submitted for the Board's review and approval.

INTERNAL AUDIT FUNCTION

The Group has an internal audit function whose primary responsibilities is to assure the Board, through the Audit Committee, that the internal control systems function as intended. In providing this assurance, the Internal Audit Department carries out regular audit activities in accordance with its annual audit plan to review the adequacy and integrity of internal control system and to identify opportunities for improvement in operational efficiency. Thereafter a report of the shortcomings together with the appropriate recommendations is made to the Head of respective subsidiary. The Head of respective subsidiary were obliged to respond to the findings and recommendations. Subsequently, a follow-up audit is carried out to review the extent to which the recommendations of the internal auditors have been implemented.

The Audit Committee, on behalf of the Board, reviews and holds discussion with Management to deliberate on action plans addressing the internal control issues as identified by the Internal Auditors, the External Auditors and Management.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The Board provides the following guidelines to ensure success of business objectives:

- The Group has in place an organisation structure with key responsibilities clearly defined for the Board, committees of the board and the executive management of the Group's operating units.
- Authorisation limits are established within the Group to provide a functional framework of authority in approving revenue and capital expenditures.
- Each operation unit is to provide to the Board for approval a comprehensive annual budget.
- The results of each operation business units are reported monthly and variances are analysed against budget and acted on in a timely manner. Budgets are revised on a semi-annual basis, if necessary, after taking into account any significant changes to business risks.
- The Managing Director conducts monthly meetings with management of all subsidiaries within the Group. From these monthly management meetings, the Managing Director identifies areas of significant risk and if necessary, request the internal audit function to review the financial and operational risks of the business unit concerned.

- The Board receives and reviews quarterly reports on the Group's business operations.

- Policies and procedures regulating financial and operating activities are clearly documented in a manual. The manual is subject to regular reviews and updates to reflect the changing business risks and to resolve operational deficiencies, if any.

CONCLUSION

The Board is of the opinion that the system of internal control, which is reviewed on an ongoing basis, is adequate for the Group to manage its risk and to achieve its business objectives.

directors' **responsibility statement**

The Board of Directors is required under Paragraph 15.26 (a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to issue a statement explaining their responsibilities in the preparation of the annual financial statements.

The Directors are required by the Companies Act, 1965 to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year and of the results and cash flows of the Company and of the Group for the financial year then ended.

In preparing the financial statements for the financial year ended 30 June 2009, the Directors have:-

- used appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- ensured that all applicable approved accounting standards have been followed.

The Directors took steps to ensure that the Company and the Group keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and which enable them to ensure that the financial statements comply with the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

The Directors are also responsible for taking such steps that are necessary to safeguard the assets of the Group and to prevent fraud and other irregularities.

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

directors' **report**

The Directors have pleasure in presenting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2009.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	20,882	8,289
Attributable to:-		
Equity holders of the Company	20,975	8,289
Minority interest	(93)	-
	20,882	8,289

DIVIDENDS

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

	RM'000
In respect of financial year ended 30 June 2008:	
First and final dividend of 4 sen per ordinary share, less tax of 25%, paid on 11 November 2008	3,888
In respect of financial year ended 30 June 2009:	
Interim dividend of 2 sen per ordinary share, less tax of 25%, paid on 20 February 2009	1,944
	5,832

The Directors propose a final dividend of 5 sen per share, less tax of 25%, amounting to RM5,325,000 in respect of the financial year ended 30 June 2009, subject to the approval of members at the forthcoming Annual General Meeting of the Company.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up share capital of the Company was increased from RM129,607,155 to RM142,000,000 by way of issuance of 12,392,845 new ordinary shares of RM1.00 each for cash pursuant to the conversion of 12,392,845 Warrants 2004/2009 at the exercise price of RM1.08 per share. The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

There were no issues of debentures 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.

WARRANTS

A total of 57,377,835 Warrants 2004/2009 were issued at no cost by the Company during the financial year ended 30 June 2004 in conjunction with the Renounceable Rights Issue. Each warrant is convertible into one new ordinary share of RM1.00 each at the exercise price of RM1.08 per share. During the financial year, 12,392,845 warrants have been exercised while the remaining unexercised warrants had expired on 23 June 2009.

DIRECTORS

The Directors who held office since the date of the last report are:-

Dato' Seri Abdul Ghani Bin Abdul Aziz
Datuk Johari Bin Abdul Ghani
Nor Hishammuddin Bin Dato' Mohd Nordin
Maj Gen (R) Dato' Mohamed Isa Bin Che Kak
Datuk Wira Syed Ali Bin Tan Sri Syed Abbas Alhabshee
Dato' Azmeer Bin Rashid
Datin Mariam Prudence Binti Yusof
Teh Bee Tein (Appointed on 15 April 2009)
Chan Peng Chiw (Demised on 13 February 2009)

DIRECTORS' INTERESTS

Except as stated below, no other Directors holding office at the end of the financial year had any interests in the shares and/or warrants of the Company and of its related corporations during the financial year ended 30 June 2009, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965:-

	----- Number of ordinary shares of RM1.00 each -----			
Shares in the Company	**Balance at 1.7.2008**	**Bought**	**Sold**	**Balance at 30.6.2009**
Direct interest				
Datuk Johari Bin Abdul Ghani	34,000,000	2,000,000	-	36,000,000
Dato' Seri Abdul Ghani Bin Abdul Aziz	60,000	-	-	60,000
Indirect interest				
Datin Mariam Prudence Binti Yusof	26,275,500	2,072,500	-	28,348,000

		---------------- Number of Warrants 2004/2009 -----------------				
Warrants in the Company	**Balance at 1.7.2008**	**Bought**	**Sold**	**Exercised**	**Expired**	**Balance at 30.6.2009**
Direct interest						
Datuk Johari Bin Abdul Ghani	13,000,000	-	-	(880,070)	(12,119,930)	-
Indirect interest						
Datin Mariam Prudence Binti Yusof	11,112,000	-	-	(2,000,000)	(9,112,000)	-

By virtue of their interest in the ordinary shares of the Company, Datuk Johari Bin Abdul Ghani and Datin Mariam Prudence Binti Yusof are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in 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 the Director is a member, or with a company in which the Director has a substantial financial interest, except for any benefits which may be deemed to have been derived by virtue of these transactions as disclosed in Note 35(b) to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object 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.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY:-

(I) AT THE END OF THE FINANCIAL YEAR

(a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:-

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:-

(i) which would render the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; or

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:-

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) 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 will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

AUDITORS

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

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

Dato' Seri Abdul Ghani Bin Abdul Aziz
Director

Datuk Johari Bin Abdul Ghani
Director

Kuala Lumpur
14 September 2009

statement by **directors**
(pursuant to section 169(15) of the Companies Act, 1965)

In the opinion of the Directors, the financial statements set out on pages 38 to 94 have been drawn up in accordance with the applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2009 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Dato' Seri Abdul Ghani Bin Abdul Aziz
Director

Datuk Johari Bin Abdul Ghani
Director

Kuala Lumpur
14 September 2009

statutory **declaration**
(pursuant to section 169(16) of the Companies Act, 1965)

I, Datuk Johari Bin Abdul Ghani, being the Director primarily responsible for the financial management of C.I. Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 38 to 94 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
14 September 2009) Datuk Johari Bin Abdul Ghani

Before me:-

Mohd Radzi Bin Yasin (W327)
Commissioner for Oaths

independent auditors' **report**
to the members of C.I. Holdings Berhad

Report on the Financial Statements

We have audited the financial statements of C.I. Holdings Berhad, which comprise the balance sheets as at 30 June 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 38 to 94.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2009 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO Binder
AF: 0206
Chartered Accountants

Lim Seng Siew
2894/08/11 (J)
Partner

Kuala Lumpur
14 September 2009

balance sheets
as at 30 June 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	6	85,725	88,829	30	18
Investment properties	7	1,885	3,096	-	-
Prepaid lease payments for land	8	3,080	3,141	-	-
Intangible assets	9	47,548	47,880	-	-
Investments in subsidiaries	10	-	-	90,907	90,907
Other investments	11	21	21	15	15
Deferred tax assets	12	1,079	3,550	-	-
		139,338	146,517	90,952	90,940
CURRENT ASSETS					
Inventories	13	32,624	28,811	-	-
Trade and other receivables	14	78,040	66,591	14	25
Amounts owing by subsidiaries	15	-	-	4,381	4,932
Current tax assets		524	421	169	129
Cash and cash equivalents	16	39,898	17,019	22,765	5,113
		151,086	112,842	27,329	10,199
Non-current assets held for sale	17	4,500	5,150	-	-
		155,586	117,992	27,329	10,199
TOTAL ASSETS		294,924	264,509	118,281	101,139
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	142,000	129,607	142,000	129,607
Share premium		2,147	1,156	2,147	1,156
Accumulated losses		(11,378)	(26,521)	(54,204)	(56,661)
		132,769	104,242	89,943	74,102
Minority interest		1,189	1,282	-	-
TOTAL EQUITY		133,958	105,524	89,943	74,102

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
NON-CURRENT LIABILITIES					
Borrowings	20	31,560	31,042	-	-
Retirement benefit obligations	24	3,332	3,105	-	-
Deferred tax liabilities	12	5,164	2,567	-	-
		40,056	36,714	-	-
CURRENT LIABILITIES					
Trade and other payables	25	70,329	67,641	551	2,532
Provisions	26	2,350	1,925	-	-
Amounts owing to subsidiaries	15	-	-	27,787	24,505
Borrowings	20	46,797	52,523	-	-
Current tax liabilities		1,434	182	-	-
		120,910	122,271	28,338	27,037
TOTAL LIABILITIES		160,966	158,985	28,338	27,037
TOTAL EQUITY AND LIABILITIES		294,924	264,509	118,281	101,139

The accompanying notes form an integral part of the financial statements.

income **statements**
for the financial year ended 30 June 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Revenue	27	362,981	290,451	10,858	8,475
Cost of sales	28	(224,585)	(183,665)	-	-
Gross profit		138,396	106,786	10,858	8,475
Other income		5,379	2,527	2,070	51
Selling and distribution costs		(74,565)	(56,142)	-	-
Administrative expenses		(34,524)	(32,481)	(2,358)	(2,053)
Other expenses		(1,842)	(303)	(10)	(10)
Finance costs		(4,877)	(4,841)	(9)	(17)
Profit before tax	29	27,967	15,546	10,551	6,446
Tax expense	31	(7,085)	(1,101)	(2,262)	(1,690)
Profit for the financial year		20,882	14,445	8,289	4,756
Attributable to:-					
Equity holders of the Company		20,975	14,544	8,289	4,756
Minority interest		(93)	(99)	-	-
		20,882	14,445	8,289	4,756
Basic earnings per ordinary share attributable to equity holders of the Company (sen)	32	16.15	11.22		

The accompanying notes form an integral part of the financial statements.

consolidated statement of **changes in equity**

for the financial year ended 30 June 2009

Group	Share capital RM'000	Share premium RM'000	Special reserve RM'000	Accumulated losses RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
	<--------Attributable to equity holders of the Company ------->						
		<---Non-distributable--->					
At 30 June 2007	129,607	1,156	10,622	(51,687)	89,698	1,062	90,760
Acquisition of subsidiaries (Note 10(a))	-	-	-	-	-	319	319
Realisation of special reserve (Note 19)	-	-	(10,622)	10,622	-	-	-
Profit for the financial year, representing total recognised income and expense for the financial year	-	-	-	14,544	14,544	(99)	14,445
At 30 June 2008	129,607	1,156	-	(26,521)	104,242	1,282	105,524
Conversion of warrants (Note 18)	12,393	991	-	-	13,384	-	13,384
Dividends (Note 33)	-	-	-	(5,832)	(5,832)	-	(5,832)
Profit for the financial year, representing total recognised income and expense for the financial year	-	-	-	20,975	20,975	(93)	20,882
At 30 June 2009	142,000	2,147	-	(11,378)	132,769	1,189	133,958

The accompanying notes form an integral part of the financial statements.

statement of changes in **equity** (cont'd)

for the financial year ended 30 June 2009

Company	Share capital RM'000	Share premium RM'000	Special reserve RM'000	Accumulated losses RM'000	Total equity RM'000
	<---Non-distributable--->				
At 30 June 2007	129,607	1,156	10,622	(72,039)	69,346
Realisation of special reserve (Note 19)	-	-	(10,622)	10,622	-
Profit for the financial year, representing total recognised income and expense for the financial year	-	-	-	4,756	4,756
At 30 June 2008	129,607	1,156	-	(56,661)	74,102
Conversion of warrants (Note 18)	12,393	991	-	-	13,384
Dividends (Note 33)	-	-	-	(5,832)	(5,832)
Profit for the financial year, representing total recognised income and expense for the financial year	-	-	-	8,289	8,289
At 30 June 2009	142,000	2,147	-	(54,204)	89,943

The accompanying notes form an integral part of the financial statements.

cash flow **statements**

for the financial year ended 30 June 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		27,967	15,546	10,551	6,446
Adjustments for:-					
Allowance for doubtful debts		230	1,268	10	10
Allowance for doubtful debts no longer required		(21)	(185)	-	-
Amortisation of prepaid lease payments for land	8	61	45	-	-
Bad debts written off		100	1	-	-
Depreciation of property, plant and equipment	6	12,847	11,334	8	10
Dividend income	27	-	-	(9,206)	(6,996)
Excess of interest in fair value of acquirees' net identifiable assets over costs of business combination	10(a)	-	(39)	-	-
Gain arising from subsequent change in the sale consideration on the disposal of a former subsidiary		-	(241)	-	-
Gain on disposal on non-current asset held for sale		(25)	-	-	-
(Gain)/Loss on disposal of property, plant and equipment		(597)	110	-	-
Impairment loss on goodwill on consolidation	9	332	-	-	-
Impairment loss on non-current assets held for sale	17	300	-	-	-
Impairment loss on property, plant and equipment	6	-	100	-	-
Interest expense		4,489	4,652	9	17
Interest income		(243)	(202)	(252)	(181)
Inventories written off		8,132	4,980	-	-
Loss on changes in the fair values of investment properties	7	1,211	203	-	-
Property, plant and equipment written off	6	444	1,073	-	1
Provision for retirement benefits	24	411	542	-	-
Provisions for other liabilities	26	551	1,663	-	-
Provisions for other liabilities no longer required	26	(126)	(499)	-	-
Share of profit margin on Islamic term borrowings		388	189	-	-
Write back of debt assigned by a former subsidiary		(2,000)	-	(2,000)	-
Forfeiture of deposits received for returnable bottles		(274)	-	-	-
Write back of payables and accruals		(70)	(595)	(70)	(51)
Net unrealised loss on foreign exchange		74	288	-	-
Operating profit/(loss) before working capital changes		54,181	40,233	(950)	(744)
Changes in working capital:-					
Inventories		(11,945)	(12,723)	-	-
Trade and other receivables		(11,758)	(7,069)	11	(13)
Trade and other payables		8,360	6,865	89	(1,172)
Cash generated from/(used in) operations		38,838	27,306	(850)	(1,929)
Tax paid		(868)	(1,169)	-	-
Tax refunded		-	78	-	8
Compensation received on legal settlement		-	4,000	-	-
Interest paid		(2,360)	(2,558)	(9)	(17)
Contributions for retirement benefits	24	(184)	(169)	-	-
Share of profit on Islamic term borrowings paid		(30)	-	-	-
Settlement of other liabilities	26	-	(1,212)	-	-
Net cash from/(used in) operating activities		35,396	26,276	(859)	(1,938)

cash flow **statements** (cont'd)

for the financial year ended 30 June 2009

		Group		Company	
		2009	2008	2009	2008
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Repayments from subsidiaries		-	-	541	863
Dividend received		-	-	6,904	5,177
Interest received		243	202	252	181
Proceeds from disposal of property, plant and equipment		2,536	4,332	-	-
Proceeds from disposal of subsidiaries in 2007		-	6,000	-	-
Proceeds from disposal of non-current assets held for sale		375	2,000	-	-
Proceeds received from the change in the sale consideration on the disposal of a former subsidiary		-	241	-	-
Purchase of property, plant and equipment	6(c)	(11,907)	(9,301)	(20)	(5)
Placement of additional deposit to an institutional trustee account		(74)	(150)	-	-
Advances from subsidiaries		-	-	3,282	1,681
Withdrawal/(Placement) of fixed deposits pledged to licensed banks		85	(4)	-	-
Acquisition of subsidiaries, net of cash and cash equivalents acquired	10(a)	-	(3,865)	-	-
Net cash (used in)/ from investing activities		(8,742)	(545)	10,959	7,897
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares		13,384	-	13,384	-
Repayments to hire-purchase and lease creditors		(5,227)	(4,938)	-	-
Repayments of borrowings		(10,288)	(14,044)	-	-
Drawdowns of borrowings		8,945	1,198	-	-
Share of profit on Islamic term borrowings paid		(358)	(189)	-	-
Dividends paid		(5,832)	-	(5,832)	-
Interest paid		(2,129)	(2,094)	-	-
Net cash (used in)/from financing activities		(1,505)	(20,067)	7,552	-
Net increase in cash and cash equivalents		25,149	5,664	17,652	5,959
Cash and cash equivalents at beginning of financial year		12,405	6,741	5,113	(846)
Cash and cash equivalents at end of financial year	16	37,554	12,405	22,765	5,113

The accompanying notes form an integral part of the financial statements.

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company are located at Level 10, Menara Yayasan Tun Razak, No. 200, Jalan Bukit Bintang, 55100 Kuala Lumpur.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. All financial information are presented in RM rounded to the nearest thousand (RM'000) unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 14 September 2009.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards ("FRSs") in Malaysia and the provisions of the Companies Act, 1965. The accounting policies adopted by the Group and the Company are consistent with those used in the previous financial year.

(a) New FRSs and Amendments to FRSs not adopted

The Group and the Company have not early adopted the following new FRSs, Amendments to FRSs and the consequential amendments resulting from these FRSs, which are mandatory for the financial periods beginning on or after 1 January 2010 except FRS 8 Operating Segments, which is mandatory for the financial periods beginning on or after 1 July 2009:-

(i) FRS 4 *Insurance Contracts*
(ii) FRS 7 *Financial Instruments: Disclosures*
(iii) FRS 8 *Operating Segments*
(iv) FRS 123 *Borrowing Costs*
(v) FRS 139 *Financial Instruments: Recognition and Measurement*
(vi) Amendments to FRS 2 *Share-based Payment: Vesting Conditions and Cancellations*
(vii) Amendments to FRS 1 *First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*

FRS 4, Amendments to FRS 2 and Amendments to FRS 1 and FRS 127 are not relevant to the Group and the Company. The effects of the first adoption of the relevant new FRSs or amendments to FRSs are summarised as below:-

(i) FRS 7 applies to all risks arising from a wide array of financial instruments and requires the disclosure of the significance of financial instruments for an entity's financial position and performance. By virtue of the exemption provided under paragraph 44AB of FRS 7, the impact of applying FRS 7 on the financial statements upon first adoption of FRS 7 as required by paragraph 30(b) of FRS 108 Accounting Policies, Change in Accounting Estimates and Errors is not disclosed.

3. BASIS OF PREPARATION (CONT'D)

(a) New FRSs and Amendments to FRSs not adopted (cont'd)

(ii) FRS 8 sets out the requirements for disclosure of information on an entity's operating segments, products and services, the geographical areas in which it operates and its customers.

The requirements of this Standard are based on the information about the components of the entity that management uses to make decisions about operating matters.

This Standard requires identification of operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance. This Standard also requires the amount reported for each operating segment item to be the measure reported to the chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance. Segment information for prior years that is reported as comparative information for the initial year of application would be restated to conform to the requirements of this Standard.

The adoption of this Standard does not result in significant change in the Group's accounting policies and will only impact the form and content of disclosures presented in the financial statements.

(iii) FRS 123 removes the option of immediately recognising as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. However, capitalisation of borrowing costs is not required for assets measured at fair value, and inventories that are manufactured or produced in large quantities on a repetitive basis, even if they take a substantial period of time to get ready for use or sale.

The Group does not expect any significant impact on the financial statements arising from the adoption of this Standard.

(iv) FRS 139 establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted. By virtue of the exemption provided under paragraph 103AB of FRS 139, the impact of applying FRS 139 on the financial statements upon first adoption of the FRS as required by paragraph 30(b) of FRS 108 is not disclosed.

(b) New IC Interpretations not adopted

The Group and the Company have not early adopted the following new IC Interpretations, which are mandatory for the financial periods beginning on or after 1 January 2010:-

(i) IC Interpretation 9 *Reassessment of Embedded Derivatives*
(ii) IC Interpretation 10 *Interim Financial Reporting and Impairment*
(iii) IC Interpretation 11 *FRS 2 – Group and Treasury Share Transactions*
(iv) IC Interpretation 13 *Customer Loyalty Programmes*
(v) IC Interpretation 14 *FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

All the IC Interpretations are not relevant to the Group and the Company except for IC Interpretation 10. IC Interpretation 10 prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. The Directors do not expect any significant impact on the financial statements arising from the adoption of this Interpretation in the future.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of accounting (cont'd)

The preparation of financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 5 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to the end of the financial year using the purchase method of accounting.

Under the purchase method, the cost of business combination is measured as the aggregate fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination.

At the acquisition date, the cost of business combination is allocated to identifiable assets acquired, liabilities assumed and contingent liabilities which are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the Group will:-

(a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and

(b) recognise immediately in profit or loss any excess remaining after that reassessment.

When a business combination includes more than one exchange transactions, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the existence and effect of potential voting rights that are currently convertible or exercisable are taken into consideration.

Intra-group transactions, balances and resulting unrealised gains and losses are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation but considered an impairment that requires recognition in the consolidated financial statements.

The gain or loss on disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of goodwill, is recognised in the consolidated income statement.

Minority interest represents the portion of profit or loss and net assets in subsidiaries not owned, directly or indirectly through subsidiaries, by the Group. It is measured at the minority's share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minority's share of changes in the subsidiaries' equity since then.

Where losses applicable to the minority in a subsidiary exceed the minority's interest in the equity of that subsidiary, the excess and any further losses applicable to the minority are allocated against the Group's interest except to the extent that the minority has a binding obligation and is able to make additional investment to cover the losses. If the subsidiary subsequently reports profit, such profits are allocated to the Group's interest until the minority's share of losses previously absorbed by the Group has been recovered.

Minority interest is presented in the consolidated balance sheet within equity and is presented in the consolidated statement of changes in equity separately from equity attributable to equity holders of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of consolidation (cont'd)

Minority interest in the results of the Group is presented in the consolidated income statement as an allocation of the total profit or loss for the financial year between minority interest and equity holders of the Company.

Transactions with minority interests are treated as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the profit or loss. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

4.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. The cost also comprises the initial estimate of dismantling and removing the item and restoring the site on which is located for which the Group and the Company are obligated to incur when the asset is acquired, if applicable. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Construction in-progress represents factory building under construction and plant and machinery under installation. The depreciation for construction and renovation in-progress will begin when they are available for use. Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation of other property, plant and equipment is calculated to write off the cost of the assets on a straight line basis over their expected useful lives. The principal annual depreciation rates used are as follows:-

Buildings	2%
Bottles and cases	20%
Plant and machinery	5% - 15%
Office furniture and equipment	15% - 25%
Motor vehicles	20% - 25%
Renovations	15%

At each balance sheet date, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.4 to the financial statements on impairment of assets).

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

4.4 Impairment of assets

The carrying amounts of assets, other than financial assets (excluding investments in subsidiaries in this context), deferred tax assets, investment properties measured at fair value, non-current assets held for sale and inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Impairment of assets (cont'd)

Goodwill on consolidation that has an indefinite useful life is tested for impairment annually or more frequently if events or changes in circumstances indicate that the goodwill might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's CGU or groups of CGU that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in the profit or loss when the carrying amount of the asset or the CGU, including the goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in the profit or loss immediately. An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversals are recognised as income immediately in profit or loss.

4.5 Investments

4.5.1 Subsidiaries

A subsidiary is an entity in which the Group and the Company have power to exercise control over the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

An investment in subsidiary, which is eliminated on consolidation, is stated in the Company's separate financial statements at cost less impairment losses, if any. On disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

4.5.2 Other investments

Investment in club memberships held as long term investment is stated at cost unless in the opinion of the Directors there is a decline other than temporary in the value of such investments. Such decline is recognised as an expense in the period in which the decline is identified.

On disposal of such investments, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

4.6 Goodwill on consolidation

Goodwill acquired in a business combination is recognised as an asset at the acquisition date and is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Investment properties

Investment properties are properties which are held either to earn rental yield or for capital appreciation or for both and are not occupied by the Group. Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value. The fair value of investment properties are the prices at which the properties could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value of investment properties reflect market conditions at the balance sheet date, without any deduction for transaction costs that may be incurred on sale or other disposal.

Fair values of investment properties were derived from the Directors' assessment based on indicatives value obtained from the latest valuation conducted by independent professional valuer with appropriate recognised professional qualification and has recent experience in the location and category of the investment properties being valued.

Gains or losses arising from a change in the fair value of investment properties is recognised in profit or loss for the period in which it arises.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposals. Any gain or loss on the retirement or disposal of investment property is derecognised and the difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognised in profit or loss in the period of the retirement or disposal.

4.8 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first-in, first-out basis. Cost of raw materials comprises the original cost of purchase plus the cost of bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour and a proportion of manufacturing overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

4.9 Income taxes

Income taxes include all taxes on taxable profits. Income taxes also include other taxes, such as withholding taxes.

Taxes in the income statements comprise current tax and deferred tax.

4.9.1 Current tax

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or loss for a period.

Current taxes for the current and prior financial periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted by the balance sheet date.

4.9.2 Deferred tax

Deferred tax is recognised in full using the liability method in respect of all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base including unused tax losses and capital allowances.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Income taxes (cont'd)

4.9.2 Deferred tax (cont'd)

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and deferred tax liabilities relate to the same taxation authority.

Deferred tax will be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

4.10 Hire-purchase and lease agreements

4.10.1 Finance leases and hire-purchase

Assets acquired under finance leases and hire-purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the Group's incremental borrowing rate is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire-purchase liabilities.

4.10.2 Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense in the profit or loss on a straight line basis over the lease term.

4.10.3 Leases of land and building

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings, are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interests in the land element and the buildings element of the lease at the inception of the lease.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 Hire-purchase and lease agreements (cont'd)

4.10.3 Leases of land and building (cont'd)

Leasehold land that normally has an indefinite economic life and where the lease does not transfer substantially all the risk and rewards incidental to ownership is treated as an operating lease. The lump-sum upfront payments made on entering into or acquiring leasehold land are accounted for as prepaid lease payments and are amortised over the lease term on a straight line basis.

The buildings element is classified as a finance or operating lease in accordance with Note 4.10.1 or Note 4.10.2. If the lease payment cannot be allocated reliably between these two elements, the entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

For a lease of land and buildings in which the amount that would initially be recognised for the land element is immaterial, the land and buildings are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is regarded as the economic life of the entire leased asset.

4.11 Foreign currency transactions and translation

4.11.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

4.11.2 Foreign currency translations and balances

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling at that date unless hedged by forward foreign exchange contracts, in which case the rates specified in such a forward contracts are used. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

4.12 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of a provision will be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.13 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. In addition, the assets are available for immediate sale in their present condition subject only to terms that are usual and customary for sales of such assets and its sales must be highly probable.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 Non-current assets held for sale (cont'd)

The sale is expected to qualify for recognition as a completed sale within one (1) year from the date of classification. However, an extension of the period required to complete the sale does not preclude the assets from being classified as held for sale if the delay is caused by events or circumstances beyond the control of the Group and there is sufficient evidence that the Group remains committed to its plan to sell the assets.

Immediately before initial classification as held for sale, the carrying amounts of the non-current assets are measured in accordance with applicable FRSs. Then, on initial classification as held for sale, assets (other than inventories, investment properties measured at fair value, deferred tax assets and financial assets) are measured at the lower of carrying amount immediately prior to being classified as held for sale and fair value less costs to sell. Any differences are included in profit or loss. Following their reclassification as held for sale, non-current assets are not depreciated.

Non-current assets held for sale are classified as current assets on the face of the balance sheet and are stated at the lower of carrying amount immediately before initial classification and fair value less costs to sell and are not depreciated. Any cumulative income or expense recognised directly in equity relating to the non-current asset classified as held for sale is presented separately.

If the Group has classified an asset as held for sale but subsequently the criteria for classification is no longer met, the Group ceases to classify the asset (or disposal group) as held for sale. The Group measures a non-current asset that ceases to be classified as held for sale at the lower of:

(a) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale; and

(b) its recoverable amount at the date of the subsequent decision not to sell.

4.14 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sales of goods and services in the ordinary course of the Group's and of the Company's activities. Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and to the Company, and the amount of the revenue and the cost incurred or to be incurred in respect of the transaction can be measured reliably and the specific recognition criteria have been met as follows:-

4.14.1 Sale of goods

Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods has been transferred to the customer and where the Group retains neither continuing managerial involvement over the goods, which coincides with the delivery of goods and services and acceptance by customers.

4.14.2 Dividend income

Dividend income is recognised when the right to receive payment is established.

4.14.3 Management and other fees

Management and other fees arising from services rendered are recognised as and when the services are performed.

4.14.4 Interest income

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and at the effective interest rate over the period to maturity.

4.14.5 Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Employee benefits

4.15.1 Short-term employee benefits

Wages, salaries, social security contributions, paid annual leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group and the Company.

Short-term accumulating compensated absences such as paid annual leave are recognised as an expense when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

4.15.2 Defined contribution plan

The Group make contributions to a statutory provident fund and recognise the contributions payable after deducting contributions already paid as a liability and as an expense in the financial year in which the employees render their services.

4.15.3 Defined benefit plan

The amount recognised as a liability in respect of a defined benefit plan is the present value of the defined benefit obligations at the balance sheet date adjusted for unrecognised actuarial gains and losses and unrecognised past service cost.

The Group determines the present value of the defined benefit obligations with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date.

The present value of the defined benefit obligations and the related current service cost and past service cost is determined using the projected unit credit method. The rate used to discount the obligations is based on market yields as at balance sheet date of government securities which have currency and terms consistent with the currency and estimated terms of the obligations.

Actuarial gains and losses may result from changes in the present value of the defined benefit obligations. They are recognised as income or expense over the expected average remaining working lives of the employees participating in that plan.

4.16 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resource will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

4.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 Financial instruments (cont'd)

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

4.17.1 Financial instruments recognised on the balance sheets

Financial instruments are recognised on the balance sheets when the Group and the Company have become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group and the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(a) Receivables

Trade and other receivables, including any amounts owing by related parties, are classified as loans and receivables under FRS 132 *Financial Instruments: Disclosure and Presentation*.

Receivables are carried at anticipated realisable value. Known bad debts are written off and an allowance is made for debts considered to be doubtful of collection.

Receivables are not held for trading purposes.

(b) Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, deposits placed with financial institutions and other short term, highly liquid investments that are readily convertible to cash and which are subject to insignificant risk of changes in value. For the purpose of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts, pledged deposits and also deposits placed with an institutional trustee in accordance with the terms and conditions as set out in the lease agreements (Note 16(c)).

(c) Payables

Liabilities for trade and other amounts payable, including any amounts owing to related parties are initially and subsequently recognised at cost. Payables are recognised when there is a contractual obligation to deliver cash and another financial asset to another entity.

(d) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the consideration received less directly attributable costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(e) Equity instruments

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of share issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of the shares are accounted for as a deduction from share premium. Otherwise, they are charged to profit or loss.

Dividends to shareholders are recognised in equity in the period when the shareholder's right to receive payment is established.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 Financial instruments (cont'd)

4.17.2 Financial instruments not recognised on the balance sheets

The Group is party to financial instruments that comprise foreign currency forward contracts and warrants. These instruments are not recognised in the financial statements on inception.

(i) Foreign currency forward contracts

Foreign currency forward contracts are used to hedge foreign exposures as a result of receipts and payments in foreign currency. Any gains or losses arising from contracts entered into as hedges of anticipated future transactions are deferred until the dates of such transactions at which time they are included in the measurement of such transactions.

All other gains or losses relating to hedged instruments are recognised in profit or loss in the same period as the exchange differences on the underlying hedged items.

(ii) Warrants

Warrants 2004/2009 are issued at no cost and are not recognised in the financial statements. Each warrant is convertible into one new ordinary share of RM1.00 each at the exercise price of RM1.08 per share during the exercise period and recognised as equity instrument upon conversion (see Note 4.17(e) on equity instruments).

4.18 Segmental reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group enterprises within a single element.

4.19 Borrowing costs

All borrowing cost are recognised in profit or loss in the period in which they are incurred.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

5.1 Critical judgements made in applying accounting policies

In determining and applying the accounting policies, judgement is often required in respect of items where choice of specific policy could materially affect the reported results and financial position of the Group and of the Company. The following accounting policies require subjective judgement, often as a result of the need to make estimates about the effect of the matters that are inherently uncertain.

(i) Operating lease

The Company and a wholly-owned subsidiary ("the Group") had entered into a conditional Sale and Purchase Agreement for the sale of two plots of leasehold land together with the buildings erected thereon with Amanah Raya Berhad ("ARB"). Subsequently, the properties were leased back by the Group from ARB for a lease period of ten years commencing from June 2006 with the option to buy back the properties at the end of the primary lease term period. The Directors are of the opinion that the lease arrangement should be treated as operating lease as the Group does not retain substantially all the risks and rewards incidental to the ownership of the said properties and the lease term does not constitute major part of the economic life of the properties. Furthermore, the sale considerations are agreed based on the fair values.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

5.1 Critical judgements made in applying accounting policies (cont'd)

(ii) Contingent liabilities

The determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting both internal and external legal advisors of the Group for matters in the ordinary course of business. The details of the material litigations are disclosed in the Note 40 to the financial statements.

5.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

(i) Investments in subsidiaries

The Directors review the material investments in subsidiaries for impairment when there is an indication of impairment. The recoverable amounts of the investments in subsidiaries are assessed by reference to the value in use for operating subsidiaries and net assets as at balance sheet date for investment holding or inactive subsidiaries. Calculating the value-in-use amount requires management to exercise judgement in making an estimate of the expected future cash flows using a suitable discount.

(ii) Goodwill on consolidation

The Group determines whether goodwill on consolidation is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill on consolidation is allocated. Estimating the value-in-use amount requires management to make an estimate of the expected future cash flows using a suitable discount rate in order to calculate the present value of those cash flows. Such estimate involves judgement and further details are disclosed in Note 9 to the financial statements.

(iii) Income taxes

Significant judgement is required in determining the capital allowances, reinvestment allowance and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the provisions of the income tax and deferred income tax in the period in which such determination is made.

Deferred tax assets are recognised for unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(iv) Depreciation of property, plant and equipment

Management estimates the useful lives of property, plant and equipment based on historical experience, the expected usage, wear and tear of the assets and technical obsolescence arising from changes in market demands or service output of the assets. Changes in these factors could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

5.2 Key sources of estimation uncertainty (cont'd)

(v) Fair values of borrowings

The fair values of the borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on its size and business risks.

(vi) Provisions

Provision for the retirement benefits is estimated based on the predetermined rate of basic salaries and length of service of employees as well as other principal assumptions, such as discount rate and expected rate of annual salary increments, by reference to the latest actuarist's report.

Other provisions are recognised based on the management's best estimation after taking into consideration of the historical data and past experience.

Where expectations differ from the original estimates, the differences will impact the carrying amount of provisions.

(vii) Allowance for doubtful debts

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. The assessment requires judgement to be exercised whereby the management has to consider factors, which includes the financial position of the customers, historical collection period as well as average recoverability and risk profile.

6. PROPERTY, PLANT AND EQUIPMENT

Group 2009	Balance at 1 July 2008 RM'000	Additions (Note (c) below) RM'000	Disposals RM'000	Depreciation charge for the financial year RM'000	Written off RM'000	Balance at 30 June 2009 RM'000
Carrying amount						
Freehold land	1,305	-	(1,305)	-	-	-
Buildings	6,892	20	(407)	(185)	-	6,320
Freehold land and buildings	1,899	-	-	(44)	-	1,855
Bottles and cases	-	-	-	-	-	-
Plant and machinery	75,531	10,624	(202)	(11,109)	(441)	74,403
Office furniture and equipment	2,747	1,305	(25)	(1,332)	(3)	2,692
Renovation	217	102	-	(45)	-	274
Motor vehicles	238	75	-	(132)	-	181
	88,829	12,126	(1,939)	(12,847)	(444)	85,725

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group 2009	At 30 June 2009 Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Buildings	8,465	2,145	6,320
Freehold land and buildings	2,200	345	1,855
Bottles and cases	370	370	-
Plant and machinery	176,543	102,140	74,403
Office furniture and equipment	11,784	9,092	2,692
Renovation	359	85	274
Motor vehicles	1,858	1,677	181
	201,308	115,583	85,725

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group 2008	Balance at 1 July 2007 RM'000	Additions (Note (c) below) RM'000	Disposals RM'000	Depreciation charge for the financial year RM'000	Impairment loss for the financial year (Note (d) below) RM'000	Acquisition of subsidiaries (Note 10(a)) RM'000	Written off RM'000	Transfer to investment properties (Note 7) RM'000	Reclassification RM'000	Balance at 30 June 2008 RM'000
Carrying amount										
Freehold land	2,093	-	-	-	-	-	-	(788)	-	1,305
Buildings	3,717	1,035	(4,044)	(145)	(100)	4,071	-	(858)	3,216	6,892
Freehold land and buildings	1,973	-	-	(74)	-	-	-	-	-	1,899
Bottles and cases	-	-	-	-	-	-	-	-	-	-
Plant and machinery	42,359	33,829	(37)	(9,507)	-	536	(906)	-	9,257	75,531
Office furniture and equipment	3,289	784	(3)	(1,340)	-	184	(167)	-	-	2,747
Renovation	109	141	-	(33)	-	-	-	-	-	217
Motor vehicles	811	-	(358)	(235)	-	20	-	-	-	238
Construction in-progress	12,447	-	-	-	-	-	-	-	(12,447)	-
Renovation in-progress	26	-	-	-	-	-	-	-	(26)	-
	66,824	35,789	(4,442)	(11,334)	(100)	4,811	(1,073)	(1,646)	-	88,829

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group 2008	At 30 June 2008 Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold land	1,305	-	1,305
Buildings	8,925	2,033	6,892
Freehold land and buildings	2,200	301	1,899
Bottles and cases	370	370	-
Plant and machinery	170,863	95,332	75,531
Office furniture and equipment	10,561	7,814	2,747
Renovation	257	40	217
Motor vehicles	1,980	1,742	238
	196,461	107,632	88,829

Company 2009	Balance at 1 July 2008 RM'000	Additions (Note (c) below) RM'000	Depreciation charge for the financial year RM'000	Balance at 30 June 2009 RM'000
Carrying amount				
Office furniture and equipment	18	20	(8)	30

	At 30 June 2009 Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Office furniture and equipment	90	60	30

Company 2008	Balance at 1 July 2007 RM'000	Additions (Note (c) below) RM'000	Written off RM'000	Depreciation charge for the financial year RM'000	Balance at 30 June 2008 RM'000
Carrying amount					
Office furniture and equipment	24	5	(1)	(10)	18

	At 30 June 2008 Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Office furniture and equipment	77	59	18

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) The net book values of property, plant and equipment held under hire-purchase and finance lease arrangements are as follows:-

	Group 2009 RM'000	Group 2008 RM'000
Motor vehicles	119	141
Plant and machinery	21,065	20,843
Office furniture and equipment	187	1,053
	21,371	22,037

(b) The net book values of property, plant and equipment pledged to the financial institutions for banking facilities granted to the subsidiaries (Note 20, 21 and 22) are as follows:-

	Group 2009 RM'000	Group 2008 RM'000
Freehold land	-	1,305
Buildings	4,734	5,258
Plant and machinery	25,664	28,633
	30,398	35,196

(c) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:-

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Purchase of property, plant and equipment	12,126	35,789	20	5
Unpaid credit purchases included in other payables (Note 25)	(1,382)	(4,784)	-	-
Settlement of credit purchases brought forward	4,784	836	-	-
Financed by:-				
- hire-purchase and lease arrangement	(3,621)	(7,446)	-	-
- term loan	-	(15,094)	-	-
Cash payments on purchase of property, plant and equipment	11,907	9,301	20	5

(d) An impairment loss on certain freehold land of approximately RM100,000 was recognised in the previous financial year to reduce the carrying amounts of the assets to their recoverable amount. The recoverable amount of the asset was determined by reference to the considerations offered by third parties and market values which were obtained from registered independent valuers based on recent transactions for similar assets.

7. INVESTMENT PROPERTIES

	Note	Group 2009 RM'000	Group 2008 RM'000
Balance at 1 July 2008/2007		3,096	6,803
Reclassification from property, plant and equipment	6	-	1,646
Loss on changes in the fair values		(1,211)	(203)
Transfer to non-current assets held for sale	17	-	(5,150)
Balance at 30 June		1,885	3,096
Analysed as:			
Freehold land and building		605	1,646
Freehold land		180	350
Long term leasehold land		1,100	1,100
		1,885	3,096

(a) Freehold land with a net book value of RM1 (2008: RM170,000) was registered in the name of a Director of a subsidiary who holds the property in trust for the subsidiary.

(b) Direct operating expenses

	Group 2009 RM'000	Group 2008 RM'000
Quit rent and assessment	-	11

(c) The fair values of the investment properties were derived from the Directors' assessment based on indicative values obtained from latest valuation conducted by independent professional valuers.

8. PREPAID LEASE PAYMENTS FOR LAND

Group 2009	Balance at 1 July 2008 RM'000	Amortisation charge for the financial year RM'000	Balance at 30 June 2009 RM'000
Carrying amount			
Leasehold land	3,141	(61)	3,080

	|------------- At 30 June 2009 ------------|		
	Cost RM'000	Accumulated amortisation RM'000	Carrying amount RM'000
Leasehold land	4,299	1,219	3,080

8. PREPAID LEASE PAYMENTS FOR LAND (CONT'D)

Group 2008	**Balance at 1 July 2007 RM'000**	**Acquisition of a subsidiary (Note 10(a)) RM'000**	**Amortisation charge for the financial year RM'000**	**Balance at 30 June 2008 RM'000**
Carrying amount				
Leasehold land	1,105	2,081	(45)	3,141

	|------------- At 30 June 2008 ------------|		
	Cost RM'000	**Accumulated amortisation RM'000**	**Carrying amount RM'000**
Leasehold land	4,299	1,158	3,141

	Group	
	2009 RM'000	**2008 RM'000**
Analysed as:		
Long term leasehold land	2,363	2,390
Short term leasehold land	717	751
	3,080	3,141

The long term leasehold land have been charged to the licensed banks for the banking facilities granted to the subsidiaries (Note 20, 21 and 22).

9. INTANGIBLE ASSETS

Group 2009	**Balance at 1 July 2008 RM'000**	**Impairment loss recognised during the financial year RM'000**	**Balance at 30 June 2009 RM'000**
Carrying amount			
Goodwill on consolidation	47,880	(332)	47,548

9. INTANGIBLE ASSETS (CONT'D)

	At 30 June 2009		
	Cost RM'000	Accumulated impairment loss RM'000	Carrying amount RM'000
Goodwill on consolidation	68,698	21,150	47,548

Group **2008**	Balance at 1 July 2007 RM'000	Acquisition of Subsidiaries (Note 10(a)) RM'000	Balance at 30 June 2008 RM'000
Carrying amount			
Goodwill on consolidation	47,548	332	47,880

	At 30 June 2008		
	Cost RM'000	Accumulated impairment loss RM'000	Carrying amount RM'000
Goodwill on consolidation	68,698	20,818	47,880

For the purpose of impairment testing, goodwill is allocated to the subsidiary which represents the lowest level within the Group at which the goodwill is monitored for internal management purpose.

During the financial year, the Group has recognised impairment loss on goodwill on consolidation of RM331,648 (2008: Nil) due to the deterioration of the financial position and financial performance of a subsidiary in building and construction related products segment.

The balance of the goodwill on consolidation of RM47,548,075 is related to the beverage division and the recoverable amount is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the Directors covering 5 financial years' period, which is consistent with last financial year. The key assumptions used for the value in use calculations are as follows:-

(a) Sales growth rate of 8% for the first two financial years from the 2010 budget, which is the base year for the cash flows projections, and 7% for the subsequent financial years.

(b) Discount rate of 8%, being the weighted average cost of capital of the Company.

(c) Terminal value representing the projected carrying amount of the net assets of the beverage division as at the end of year five.

The Directors determined budgeted gross margin and results based on past performance and its expectations of market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments. Based on the recoverable amount determined, goodwill on consolidation related to the beverage division is not impaired for the current financial year.

With regard to the assessment of value in use, the management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to be materially different from its recoverable amount.

10. INVESTMENTS IN SUBSIDIARIES

	Company 2009 RM'000	Company 2008 RM'000
Unquoted investments, at cost	244,830	244,830
Less: Accumulated impairment losses	(153,923)	(153,923)
	90,907	90,907

Details of the subsidiaries, which are incorporated in Malaysia, are as follows:-

Name of subsidiaries	Effective equity interest 2009 %	Effective equity interest 2008 %	Principal activities
Permanis Sdn. Bhd.	100	100	Selling, bottling and distribution of beverages
Doe Industries Sdn. Bhd.	100	100	Manufacture and trading of water taps and other plumbing accessories
C.I. Building Industries Sdn. Bhd.	100	100	Investment holding
C.I. Engineering Sdn. Bhd.	100	100	Investment holding
Mawar Seroja Sdn. Bhd.	100	100	Inactive
Pep Bottlers Sdn. Bhd.	100	100	Inactive
C.I. Management Sdn. Bhd.	100	100	Inactive
C.I. Construction Sdn. Bhd.	100	100	Inactive
C.I. Marketing Sdn. Bhd.	100	100	Inactive
C.I. Properties Sdn. Bhd.	100	100	Dormant
C.I. Development Sdn. Bhd.	100	100	Dormant
Subsidiaries of Permanis Sdn. Bhd.			
Permanis Sandilands Sdn. Bhd.	100	100	Marketing and distribution of beverages
Champs Water Sdn. Bhd.	100	100	Selling, bottling and distribution of beverages
Bevmac Sdn. Bhd.	100	100	Inactive
Subsidiaries of Permanis Sandilands Sdn. Bhd.			
Permanis Distributions Sdn. Bhd.	100	100	Marketing and distribution of foods and beverages products
Permanis (Sabah) Sdn. Bhd.	100	-	Marketing and distribution of foods and beverages products
Permanis (Singapore) Sdn. Bhd.	100	-	Marketing and distribution of foods and beverages products. However, the subsidiary has not commenced any business activities as at balance sheet date
Permanis Trading Sdn. Bhd.	100	-	Marketing and distribution of foods and beverages products
Subsidiaries of Doe Industries Sdn. Bhd.			
Doe Marketing Sdn. Bhd.	100	100	Dealership and distribution of household fittings and appliances
Potex Industries Sdn. Bhd.	90	90	Manufacturing of ceramic sanitary wares

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Effective equity interest 2009 %	2008 %	Principal activities
Subsidiaries of Doe Industries Sdn. Bhd (cont'd)			
Potex Sdn. Bhd.	90	90	Trading in sanitary wares and related products. However, the subsidiary has temporary ceased operation during the financial year
Subsidiary of C.I. Engineering Sdn. Bhd.			
C.I. Auto Services Sdn. Bhd.	51	51	Inactive
Subsidiary of C.I. Building Industries Sdn. Bhd.			
C.I. Quarries Sdn. Bhd.	100	100	Inactive
Subsidiaries of C.I. Quarries Sdn. Bhd.			
Capital Aim Sdn. Bhd.	100	100	Inactive
C.I. Damansara Quarry Sdn. Bhd.	65	65	Inactive
Subsidiary of Capital Aim Sdn. Bhd.			
C.I. Quarries (Nilai) Sdn. Bhd.	100	100	Inactive

All subsidiaries are audited by BDO Binder.

(a) Acquisition of subsidiaries

2009

During the financial year, the Group through its wholly-owned subsidiary, Permanis Sandilands Sdn. Bhd., acquired the entire equity interests in the following newly incorporated subsidiaries for total cash consideration of RM6, which are all incorporated in Malaysia and engaged in the distribution and marketing of food and beverage products:-

Date of acquisition	Name of newly acquired subsidiaries
15 September 2008	Permanis (Sabah) Sdn. Bhd.
21 October 2008	Permanis (Singapore) Sdn. Bhd.
29 April 2009	Permanis Trading Sdn. Bhd.

The above acquisitions will have no significant impact on the Group's earning and net assets for the financial year ended 30 June 2009 as these subsidiaries are newly incorporated. Subsequently, Permanis Sandilands Sdn. Bhd. transferred certain business operations to these newly acquired subsidiaries.

2008

On 4 February 2008, the Group through its wholly-owned subsidiary, Doe Industries Sdn. Bhd., entered into a Share Sale Agreement with Khoo Soon Kwee @ Francis, Ng Hwee Lon and Orient Vector Sdn. Bhd. to acquire 13,519,800 ordinary shares of RM1.00 each representing 90% equity interest in Potex Industries Sdn. Bhd. ("Potex Industries") and 225,000 ordinary shares of RM1.00 each representing 90% equity interest in Potex Sdn. Bhd. ("Potex") for a total cash consideration of RM3.0 million.

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Acquisitions of subsidiaries (cont'd)

2008 (cont'd)

The effect of the acquisition on the financial results of the Group in the previous financial year was as follows:-

	2008 RM'000
Revenue	2,729
Cost of sales	(2,045)
Gross profit	684
Other income	20
Administrative expenses	(705)
Finance costs	(221)
Loss before tax	(222)
Tax expense	(46)
Loss for the financial period	(268)

The fair values of assets and liabilities and cash flow arising from the acquisition of Potex Industries and Potex were as follows:-

	Note	2008 RM'000
Property, plant and equipment	6	4,811
Prepaid lease payments for land	8	2,081
Inventories		1,639
Trade and other receivables		2,935
Current tax assets		56
Cash and cash equivalents		(1,572)
Trade and other payables		(2,717)
Borrowings		(4,043)
Total net assets		3,190
Less: Minority interest		(319)
Group's share of net assets		2,871
Excess of interest in fair value of acquirees' net identifiable assets over costs of business combination		(39)
Goodwill arising from acquisition	9	332
Total cost of acquisition		3,164
Less: Purchase considerations yet to be settled and included in other payables	25(b)(ii)	(1,000)
Total cost of acquisition satisfied by cash		2,164
Add: Cash and cash equivalents of subsidiaries, net of deposits pledged to a licensed bank and bank overdraft		1,701
Cash outflow on acquisition		3,865

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Acquisitions of subsidiaries (cont'd)

2008 (cont'd)

At the date of the acquisition, Potex Industries and Potex had unrecognised deferred tax assets of approximately RM1,868,000. Deferred tax assets had not been recognised in the financial statements as it is not probable that taxable profit of Potex Industries and Potex would be available against which the deductible temporary differences could be utilised.

It is not practicable to disclose the revenue and profit or loss of Potex Industries and Potex for the previous financial year as though the acquisition date effected during the previous financial year had been the beginning of the previous financial year. This is principally due to the reporting dates of Potex Industries and Potex which are different from that of the Group before they became subsidiaries of the Group and the inability to estimate the result without incurring excessive costs. In addition, the effect was not expected to be material.

(b) The impairment loss on certain investment in subsidiaries was recognised in the previous financial years to reduce the carrying amount of the investments in subsidiaries to the recoverable amount. The recoverable amount of the investments in subsidiaries was determined by reference to the value in use for operating subsidiaries and the net assets of the investment holding or inactive subsidiaries as at balance sheet date.

11. OTHER INVESTMENTS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At cost				
Club memberships	21	21	15	15

12. DEFERRED TAX

(a) The deferred tax liabilities and deferred tax assets are made up of the following:-

	Group	
	2009 RM'000	2008 RM'000
Balance at 1 July 2008/2007	(983)	(1,565)
Recognised in the income statement (Note 31)	5,068	582
Balance at 30 June	4,085	(983)
Presented after appropriate offsetting:-		
Deferred tax assets, net	(1,079)	(3,550)
Deferred tax liabilities, net	5,164	2,567
	4,085	(983)

12. DEFERRED TAX (CONT'D))

(b) The components and movements of deferred tax assets and liabilities of the Group during the financial year prior to offsetting are as follows:-

Group	Inventories RM'000	Provision for liabilities RM'000	Retirement benefit obligations RM'000	Unused tax losses and capital allowances RM'000	Others RM'000	Total RM'000
Deferred tax assets						
At 1 July 2007	373	1,359	129	3,915	335	6,111
Recognised in the income statement	205	(52)	30	581	121	885
At 30 June/1 July 2008	578	1,307	159	4,496	456	6,996
Recognised in the income statement	(13)	356	10	(3,895)	(145)	(3,687)
At 30 June 2009	565	1,663	169	601	311	3,309

Group	Fair value adjustments on assets RM'000	Property, plant and equipment RM'000	Total RM'000
Deferred tax liabilities			
At 1 July 2007	183	4,363	4,546
Recognised in the income statement	(15)	1,482	1,467
At 30 June/1 July 2008	168	5,845	6,013
Recognised in the income statement	(7)	1,388	1,381
At 30 June 2009	161	7,233	7,394

(c) The amount of temporary differences for which no deferred tax assets have been recognised in the balance sheets are as follows:-

	Group 2009 RM'000	Group 2008 RM'000
Unused tax losses	8,712	8,599
Unabsorbed capital allowances	4,191	3,621
Provision for liabilities	71	61
	12,974	12,281

12. DEFERRED TAX (CONT'D))

(c) Deferred tax assets have not been recognised in respect of these items as it is not probable that taxable profit of certain subsidiaries will be available against which the deductible temporary differences can be utilised.

The unused tax losses and unabsorbed capital allowances of certain subsidiaries do not expire under the current tax legislation.

13. INVENTORIES

	Group	
	2009 RM'000	2008 RM'000
At cost		
Raw materials	14,656	12,058
Work-in-progress	711	1,090
Finished goods	17,257	15,663
	32,624	28,811

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade receivables	76,909	67,691	-	-
Less: Allowance for doubtful debts	(1,907)	(2,669)	-	-
	75,002	65,022	-	-
Other receivables	1,993	465	-	7
Less: Allowance for doubtful debts	(382)	(382)	-	-
	1,611	83	-	7
Deposits	692	627	9	11
Prepayments	735	859	5	7
	3,038	1,569	14	25
	78,040	66,591	14	25

(a) The credit terms offered by the Group in respect of trade receivables range from 14 to 90 days (2008: 14 to 90 days) from the date of invoice.

(b) The allowance for doubtful debts of trade receivables is net of bad debts written off during the financial year of RM971,083 (2008: RM170,062).

15. AMOUNTS OWING BY/TO SUBSIDIARIES

	Company	
	2009 RM'000	2008 RM'000
Amounts owing by subsidiaries	108,327	108,868
Less: Allowance for doubtful debts	(103,946)	(103,936)
	4,381	4,932
Amounts owing to subsidiaries	27,787	24,505

Amounts owing by/to subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and repayable on demand.

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cash and bank balances	33,627	10,137	18,865	113
Deposits placed with financial institutions	6,271	6,882	3,900	5,000
As per balance sheets	39,898	17,019	22,765	5,113
Less: Bank overdrafts (Note 20)	(473)	(2,732)	-	-
Deposits pledged to licensed banks (Note (a) below)	(60)	(145)	-	-
Deposits placed with institutional trustee (Note (c) below)	(1,811)	(1,737)	-	-
As per cash flow statements	37,554	12,405	22,765	5,113

(a) Included in the deposits placed with licensed banks of the Group are deposits of RM60,000 (2008: RM145,126) which are pledged for banking facilities granted to certain subsidiaries (Note 20 and 21).

(b) The fixed deposits placed with the licensed banks of the Group at 30 June 2009 have maturity period ranging from 30 days to 365 days (2008: 30 days to 365 days).

(c) In accordance with the lease agreement entered by the Group with Amanah Raya Berhad ("ARB") (Note 5.1(i) and 37), the Group is required to pay ARB on the commencement of the lease agreement the sum of RM1,587,000, which is equivalent to one year's lease rental as a deposit and placed into an Institutional Trust Account ("ITA") as security for the lease agreement and shall be kept and maintained in the ITA throughout the lease term. The Group shall top up and/or increase the amount of deposit starting from year six to the year ten of the lease term to the amount equivalent to one year's lease rental for the year six to the year ten of the lease term. The deposit earns investment income at 5% (2008: 5%) per annum.

17. NON-CURRENT ASSETS HELD FOR SALE

		Group	
	Note	2009 RM'000	2008 RM'000
Balance as at 1 July 2008/2007		5,150	2,000
Transfer from investment properties	7	-	5,150
Impairment loss		(300)	-
Disposal		(350)	(2,000)
Balance as at 30 June		4,500	5,150

Non-current assets held for sale in 2009 is in respect of an investment property where the disposal has yet to be concluded and the disposal is expected to be completed in the financial year ending 30 June 2010.

18. SHARE CAPITAL

	Group and Company			
	2009		2008	
	Number of shares	RM'000	Number of shares	RM'000
Ordinary shares of RM1.00 each:-				
Authorised	500,000,000	500,000	500,000,000	500,000
Issued and fully paid:-				
Balance as at 1 July 2008/2007	129,607,155	129,607	129,607,155	129,607
Conversion of warrants	12,392,845	12,393	-	-
Balance as at 30 June	142,000,000	142,000	129,607,155	129,607

During the financial year, the issued and paid-up share capital of the Company was increased from RM129,607,155 to RM142,000,000 by way of issuance of 12,392,845 new ordinary shares of RM1.00 each for cash pursuant to the conversion of 12,392,845 Warrants 2004/2009 at the exercise price of RM1.08 per share. The newly issued shares rank pari passu in all respects with the existing ordinary shares of the Company.

Warrants

A total of 57,377,835 Warrants 2004/2009 were issued at no cost by the Company during the financial year ended 30 June 2004 in conjunction with the Renounceable Rights Issue. Each warrant is convertible into one new ordinary share of RM1.00 each at the exercise price of RM1.08 per share. During the financial year, 12,392,845 warrants have been exercised while the remaining unexercised warrants had expired on 23 June 2009.

19. SPECIAL RESERVE - NON-DISTRIBUTABLE

In the financial year ended 30 June 1996, the Company obtained approval from the High Court of Malaya to reduce the share premium account of the Company by RM43,385,000 and for such amount to be transferred to a Special Reserve Account and thereon to set off against purchased goodwill and goodwill on consolidation of RM32,763,000 and RM10,622,000 respectively at that point in time.

The balance of the Special Reserve of RM10,622,000 was adjusted to the accumulated losses of the Company in the previous financial year as all the subsidiaries related to the goodwill on consolidation as mentioned above had been disposed off in the previous financial years.

20. BORROWINGS

	Group 2009 RM'000	Group 2008 RM'000
Non-current liabilities		
Secured:-		
Term loans	21,017	21,892
Islamic term borrowings	3,440	981
Hire-purchase and lease creditors	7,103	8,169
	31,560	31,042
Current liabilities		
Secured:-		
Bank overdrafts	473	2,609
Bankers' acceptances	554	1,072
Term loans	2,459	2,111
Islamic term borrowings	1,451	59
Hire-purchase and lease creditors	4,415	4,955
	9,352	10,806
Unsecured:-		
Bank overdrafts	-	123
Bankers' acceptances	22,265	26,591
Term loans	-	3
Revolving credits	15,180	15,000
	46,797	52,523
Total borrowings		
Bank overdrafts (Note (b) below)	473	2,732
Bankers' acceptances (Note (c) below)	22,819	27,663
Revolving credits	15,180	15,000
Term loans (Note 21)	23,476	24,006
Islamic term borrowings (Note 22)	4,891	1,040
Hire-purchase and lease creditors (Note 23)	11,518	13,124
	78,357	83,565
Maturity of borrowings		
Within one year	46,797	52,523
More than one year and less than five years	31,560	30,111
Five years or more	-	931
	78,357	83,565

Ranges of maturity period of short term bank borrowings (excluding bank overdrafts) :-

	Group 2009 days	Group 2008 days
Bankers' acceptances	30 – 120	30 - 120
Revolving credits	180	177 - 180
Islamic acceptance bills	150	-

20. BORROWINGS (CONT'D)

(a) All the bank borrowings are generally operated by way of a corporate guarantee and indemnity by the Company and negative pledge on the assets of the Company and certain subsidiaries.

(b) Included in the bank overdrafts are amounts of:

(i) RM472,927 (2008: RM1,076,054), which is secured by a first party legal charge over a leasehold property of a subsidiary (Note 6 and 8);

(ii) RM1,456,653 in 2008, which was secured by legal charge over the leasehold property and fixed deposit of a subsidiary (Note 6, 8 and 16); and

(iii) RM76,446 in 2008, which was secured by third party deed of agreement over a condominium of a subsidiary's Director.

(c) Included in the bankers' acceptances are amounts of:

(i) RM554,000 (2008: RM965,000), which is secured by a first party legal charge over a leasehold property of a subsidiary (Note 6 and 8); and

(ii) RM107,000 in 2008, which was secured by third party deed of agreement over a condominium of a subsidiary's Director.

21. TERM LOANS

	Group	
	2009 RM'000	**2008 RM'000**
Unsecured:-		
Term loan I (Note (a) below)	-	3
Secured:-		
Term loan II (Note (b) below)	23,476	22,718
Term loan III (Note (c) below)	-	724
Term loan IV (Note (d) below)	-	561
	23,476	24,006
Repayable as follows:-		
Current liabilities		
- not later than one year	2,459	2,114
Non-current liabilities		
- later than one year and not later than five years	21,017	21,664
- later than five years	-	228
	21,017	21,892
	23,476	24,006

21. TERM LOANS FROM LICENSED BANKS (CONT'D)

(a) Term loan I was repayable by 60 equal monthly instalment of RM1,892 each until it is fully settled. It was operated by a negative pledge on the assets of a subsidiary.

(b) Term loan II is drawn down progressively to finance the costs incurred for the construction in-progress and is repayable by 20 quarterly instalments in stages with the quarterly instalments ranging from RM500,000 to RM3,500,000 per quarter commencing on the 25th month from the date of first drawdown.

This facility is secured by a charge over the equipment and machinery financed under the term loan (Note 6).

Both term loans I and II are guaranteed by the Company.

(c) Term loan III repayable by 120 equal monthly instalment of RM11,741 each commencing March 2005.

(d) Term loan IV repayable by 30 equal monthly instalment of RM46,300 each commencing September 2006.

Both term loans III and IV were secured by:

(i) a legal charge over the leasehold property of a subsidiary (Note 6 and 8);

(ii) a debenture of RM5 million over all present and future fixed and floating assets of a subsidiary; and

(iii) a pledge on the fixed deposit of the said subsidiary (Note 16).

Term loans III and IV were also jointly and severally guaranteed by the Directors of a subsidiary for RM5 million.

22. ISLAMIC TERM BORROWINGS

	Group	
	2009 RM'000	**2008 RM'000**
Secured		
Bai-Bithaman Ajil ("BBA ")	-	1,040
Ijarah	4,402	-
Islamic acceptance bills	489	-
	4,891	1,040
Repayable as follows:-		
Current liabilities		
- not later than one year	1,451	59
Non-current liabilities		
- later than one year and not later than five years	3,440	278
- later than five years	-	703
	3,440	981
	4,891	1,040

(a) The Islamic term borrowings are guaranteed by the Company.

(b) BBA is repayable by way of 180 equal monthly instalment of RM11,605 each. It was secured by a first party legal charge over a property of a subsidiary (Note 6). The Group has made early settlement of BBA during the financial year.

(c) Ijarah is repayable by 60 equal monthly instalment of RM101,382 each commencing first drawdown date.

22. ISLAMIC TERM BORROWINGS (CONT'D)

(d) Both Ijarah and Islamic acceptance bills are secured by third party legal charge over leasehold property of a subsidiary (Note 6 and 8).

23. HIRE-PURCHASE AND LEASE CREDITORS

	Group 2009 RM'000	Group 2008 RM'000
Minimum hire-purchase and lease payments:-		
- not later than one year	5,085	5,716
- later than one year and not later than five years	7,664	8,872
	12,749	14,588
Less: Future interest charges	(1,231)	(1,464)
Present value of hire-purchase and lease creditors	11,518	13,124
Repayable as follows:-		
Current liabilities		
- not later than one year	4,415	4,955
Non-current liabilities		
- later than one year and not later than five years	7,103	8,169
	11,518	13,124

Included in the hire-purchase and lease creditors of the Group are amounts of RM2,764,616 (2008: RM5,965,913), which is guaranteed by the Company.

24. RETIREMENT BENEFIT OBLIGATIONS

The Group operates unfunded defined benefit plans for non-executive staff who are entitled to a payment calculated by reference to their length of service and earnings. Provision for retirement benefit obligations is calculated based on the predetermined rate of basic salaries and length of service of the employees.

The amounts recognised in the balance sheet are as follows:-

	Group				
	2009 RM'000	2008 RM'000	2007 RM'000	2006 RM'000	2005 RM'000
Present value of unfunded obligations	3,146	2,917	2,529	2,435	2,323
Unrecognised actuarial gain	186	188	203	-	-
	3,332	3,105	2,732	2,435	2,323

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

The movements during the financial year in the amounts recognised in the balance sheet in respect of the retirement benefit obligations are as follows:-

	Group	
	2009	**2008**
	RM'000	**RM'000**
Balance at 1 July 2008/2007	3,105	2,732
Amounts recognised in the income statement	411	542
Contributions paid	(184)	(169)
Balance at 30 June	3,332	3,105

The total expenses recognised in the income statement are as follows:-

	Group	
	2009	**2008**
	RM'000	**RM'000**
Current service cost	184	181
Past service cost	31	31
Interest cost	126	153
Actuarial loss	70	177
Expenses recognised in the income statement included under administrative expenses	411	542

The principal actuarial assumptions used are as follows:-

	Group	
	2009	**2008**
	%	**%**
Discount rates	5.0 and 5.6	5.0 and 5.6
Expected rates of annual salary increase	5.0 and 6.0	5.0 and 6.0

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade payables	22,498	22,643	-	-
Other payables	21,228	21,281	171	2,164
Amounts owing to suppliers of property, plant and equipment (Note 6(c))	1,382	4,784	-	-
Deposit received	1,208	1,137	-	-
Accruals	24,013	17,796	380	368
	47,831	44,998	551	2,532
	70,329	67,641	551	2,532

(a) The credit terms available to the Group in respect of trade payables range from 30 to 120 days (2008: 30 to 120 days) from the date of invoice.

25. TRADE AND OTHER PAYABLES (CONT'D)

(b) Other payables mainly comprise advances from third parties and amounts owing to service providers, for example transportation, marketing and warehouse. Included in the other payables are amounts of:-

(i) RM1,261,846 in 2008 represented advances from third parties to a subsidiary, which were unsecured, repayable on demand and bore interest at rates ranging from 0.013% to 2.20% per annum; and

(ii) RM1,000,000 (2008: RM1,000,000) owing to third parties for the acquisition of 90% equity interest in Potex Industries Sdn. Bhd. and Potex Sdn. Bhd. (Note 10 (a) to the financial statements).

(c) Accruals are mainly made for transportation, sales and marketing expenses and staff costs.

26. PROVISIONS

Group 2009	Marketing expenses (Note (a)) RM'000	Pallet losses (Note (b)) RM'000	Employees compensation (Note (c)) RM'000	Market returns (Note (d)) RM'000	Total RM'000
Balance at 1 July 2008	25	126	170	1,604	1,925
Provision made during the financial year	-	-	-	551	551
Provision no longer required	-	(126)	-	-	(126)
Balance at 30 June 2009	25	-	170	2,155	2,350

Group 2008	Marketing expenses (Note (a)) RM'000	Pallet losses (Note (b)) RM'000	Employees compensation (Note (c)) RM'000	Market returns (Note (d)) RM'000	Warehouse expenses (Note (e)) RM'000	Total RM'000
Balance at 1 July 2007	25	157	293	-	1,498	1,973
Provision made during the financial year	-	59	-	1,604	-	1,663
Payment made	-	(90)	(122)	-	(1,000)	(1,212)
Provision no longer required	-	-	(1)	-	(498)	(499)
Balance at 30 June 2008	25	126	170	1,604	-	1,925

(a) Marketing expenses are payable for various promotion activities or events conducted by the Group and the provision is recognised at the financial year end based on the management's best estimation.

(b) Provision for pallet loss was recognised in the previous financial year based on the estimated obligation to compensate the supplier on the damaged or loss of rented pallets which were used in the daily operations throughout the country. The provision was made based on the current usage and the historical data on the pallet loss.

(c) The provision for compensation to former employees is in connection with industrial relation cases between the Company and its subsidiaries and a group of former employees who were dismissed in 2003.

(d) Provision for market returns is recognised based on the estimated liabilities arising from the returns of the damaged, infected or expired products by the customers. The estimated liability is made after taking into consideration of the historical market returns data and the products life cycle.

(e) Provisions for warehouse expenses were recognised in the previous financial years based on the legal claims made by a logistic company against a wholly-owned subsidiary. The logistic company had agreed to accept the sum of RM1,000,000 as full and final settlement in the previous financial year, which was subsequently paid by the wholly-owned subsidiary on 2 October 2007.

27. REVENUE

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Sale of goods	362,818	290,451	-	-
Management and other fees from subsidiaries	-	-	1,400	1,298
Dividend income	-	-	9,206	6,996
Interest income	163	-	252	181
	362,981	290,451	10,858	8,475

28. COST OF SALES

Cost of sales represents cost of inventories sold.

29. PROFIT BEFORE TAX

		Group		Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit before tax is arrived at after charging:-					
Allowance for doubtful debts		230	1,268	10	10
Amortisation of prepaid lease payment for land	8	61	45	-	-
Auditors' remuneration:-					
- Statutory:-					
- current financial year		227	208	40	35
- (over)/under provision in prior financial years		(10)	1	-	-
- Non-statutory		8	8	8	8
Bad debts written off		100	1	-	-
Depreciation of property, plant and equipment	6	12,847	11,334	8	10
Directors' remuneration	30	852	672	852	672
Impairment loss on goodwill on consolidation	9	332	-	-	-
Impairment loss on non-current asset held for sale	17	300	-	-	-
Impairment loss on property, plant and equipment	6	-	100	-	-
Interest expense on:-					
- bank overdrafts		77	164	10	17
- bankers' acceptances		1,308	1,509	-	-
- term loans		1,237	1,089	-	-
- revolving credits		948	835	-	-
- hire-purchase and lease		892	1,005	-	-
- others		27	50	-	-
Inventories written off		8,132	4,980	-	-
Lease rental		1,887	1,731	-	-
Loss on changes in the fair values of investment properties	7	1,211	203	-	-
Loss on disposal of property, plant and equipment		-	110	-	-

29. PROFIT BEFORE TAX (CONT'D)

		Group		Company	
		2009	2008	2009	2008
	Note	RM'000	RM'000	RM'000	RM'000
Provision for:-					
- retirement benefits	24	411	542	-	-
- pallet losses	26	-	59	-	-
- market returns	26	551	1,604	-	-
Property, plant and equipment written off	6	444	1,073	-	1
Realised foreign exchange loss		-	109	-	-
Rental of equipment		513	556	-	-
Rental of motor vehicles		194	146	-	-
Rental of premises		1,697	1,136	145	139
Retrenchment benefits		-	740	-	-
Royalty paid and payable	35(b)	494	419	-	-
Share of profit margin on Islamic term borrowings		388	189	-	-
Unrealised foreign exchange loss		74	316	-	-
And crediting:-					
Allowance for doubtful debts no longer required		21	185	-	-
Bad debts recovered		3	149	-	-
Excess of interest in fair value of acquirees' net identifiable assets over cost of business combination	10(a)	-	39	-	-
Gain arising from subsequent change in the sale consideration on the disposal of a former subsidiary		-	241	-	-
Gain on disposal of property, plant and equipment		597	-	-	-
Gain on disposal of non-current assets held for sale		25	-	-	-
Gross dividends received from subsidiaries	27	-	-	9,206	6,996
Interest income		243	202	252	181
Provisions for other liabilities no longer required:-					
- pallet loss	26	126	-	-	-
- warehouse expenses	26	-	498	-	-
- compensation	26	-	1	-	-
Rental income		-	10	-	-
Realised foreign exchange gain		515	188	-	-
Unrealised foreign exchange gain		-	28	-	-
Write back of debt assigned by a former subsidiary*		2,000	-	2,000	-
Forfeiture of deposits received for returnable bottles		274	-	-	-
Write back of payables and accruals		70	595	70	51

* A long outstanding amount of RM2,000,000 in respect of debt assigned by a former subsidiary in previous financial years was written back during the financial year as the creditors were unable to provide documentary evidence to substantiate the debt and based upon legal advice obtained from the Company's solicitor.

30. DIRECTORS' REMUNERATION

	Group and Company 2009 RM'000	Group and Company 2008 RM'000
Directors of the Company		
Executive Director		
- salaries, bonus and allowances	610	460
- defined contribution plan	78	50
	688	510
Non-Executive Directors		
- allowances	56	59
- fees	108	103
	164	162
	852	672

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group and from the Company are as follows:-

	Group and Company 2009 RM'000	Group and Company 2008 RM'000
Directors of the Company		
Executive Director	4	4
Non-Executive Director	-	1
	4	5

The number of Directors of the Company whose total remuneration during the financial year fall within the following bands is analysed below:-

	Number of Directors 2009 Executive Director	2009 Non-Executive Directors	2008 Executive Director	2008 Non-Executive Directors
Directors of the Company				
Below RM50,000	-	8	-	7
RM500,001 – RM550,000	-	-	1	-
RM650,001 – RM700,000	1	-	-	-

31. TAX EXPENSE

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current tax:-				
Income tax for the financial year	1,979	579	2,250	1,690
Withholding tax	4	1	-	-
Under/(Over) provision in prior financial years	34	(61)	12	-
	2,017	519	2,262	1,690
Deferred tax (Note 12):-				
Relating to origination and reversal of temporary differences	5,177	3,560	-	-
Changes in tax rate	-	37	-	-
Over provision in prior financial years	(109)	(3,015)	-	-
	5,068	582	-	-
Tax expense	7,085	1,101	2,262	1,690

The Malaysian income tax is calculated at the statutory tax rate of 25% (2008: 26%) of the estimated taxable profits for the fiscal year. The Malaysian statutory tax rate has been reduced to 25% from the previous financial year's rate of 26% for the fiscal year of assessment 2008.

The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:-

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit before tax	27,967	15,546	10,551	6,446
Tax at Malaysian statutory tax rate of 25% (2008: 26%)	6,992	4,042	2,638	1,676
Tax effects in respect of:-				
Effect in reduction in statutory tax rate on first RM500,000 chargeable income for certain subsidiaries	-	(32)	-	-
Withholding tax	4	1	-	-
Income not subject to tax	(744)	(87)	(500)	(13)
Non-allowable expenses	738	260	112	88
Utilisation of reinvestment allowances	(3)	(30)	-	-

31. TAX EXPENSE (CONT'D)

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Change in the unrecognised deferred tax assets during the financial year	173	(14)	-	(61)
Effects of changes in tax rate	-	37	-	-
	7,160	4,177	2,250	1,690
Over provision of deferred tax in prior financial years	(109)	(3,015)	-	-
Under/(Over) provision of income tax in prior financial years	34	(61)	12	-
Tax expense for the financial year	7,085	1,101	2,262	1,690

Tax savings during the financial year are arising from the utilisation of:-

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Unused tax losses brought forward	3,777	3,467	-	61
Unabsorbed capital allowances brought forward	-	31	-	-
Reinvestment allowances	3	30	-	-
	3,780	3,528	-	61

32. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the Group's profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2009 RM'000	2008 RM'000
Profit attributable to ordinary equity holders of the Company	20,975	14,544
	'000	'000
Weighted average number of ordinary shares in issue	129,845	129,607
	Sen	Sen
Basic earnings per share	16.15	11.22

32. EARNINGS PER SHARE (CONT'D)

The diluted earnings per ordinary share in respect of warrants was not presented in 2008 as it was anti-dilutive.

33. DIVIDENDS

	Group and Company			
	2009		2008	
	Gross dividend per share Sen	Amount of dividend, net of tax RM'000	Gross dividend per share RM'000	Amount of dividend, net of tax RM'000
Interim dividend paid	2.0	1,944	-	-
Final dividend proposed	5.0	5,325	4.0	3,888
	7.0	7,269	4.0	3,888

The Directors propose a final dividend of 5 sen per share, less tax at 25%, amounting to RM5,325,000 in respect of the financial year ended 30 June 2009, subject to the approval of members at the forthcoming Annual General Meeting of the Company. The financial statements for the current financial year do not reflect this proposed dividend. This dividend, if approved by shareholders, will be accounted for as an appropriation of retained earnings in the financial year ending 30 June 2010.

34. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including credit risk, liquidity and cash flow risk, foreign currency exchange risk and interest rate risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to Group's financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which cover the management of these risks and do not engage in speculative transactions. Information on the management of the related exposures are detailed below.

(i) Credit risk

Credit risk arises when sales are made on deferred credit terms. The Group seeks to control credit risk by setting counterparty credit limits and ensuring that sales of products are made to customers with appropriate credit history. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

As at balance sheets date, the Company has significant concentration of credit risk in respect of amounts owing by subsidiaries but the Group is not exposed to major concentrations of credit risk due to its diverse customer base. The Group considers the allowance for doubtful debts as at balance sheet date to be adequate to cover the potential financial loss. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(ii) Liquidity and cash flow risk

It is the Group's policy to maintain sufficient funds to meet its long and short term financial obligations. The availability of funding is from the tightening of credit control to ensure that receivables are collected within the credit terms as well as through an adequate amount of committed bank facilities. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

(iii) Foreign currency risk

The Group is exposed to foreign currency exchange risk as a result of foreign transactions entered into in currencies other than Ringgit Malaysia. Such exposures mainly arise from the purchase of raw and packaging materials from suppliers and the export of goods to overseas.

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management objectives and policies (cont'd)

(iii) Foreign currency risk (cont'd)

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. Material foreign currency transaction exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts. The Group will monitor changes in the exchange rate and, where appropriate, enter into forward foreign currency exchange contracts to limit its exposure on foreign currency payables.

During the financial year, the Group entered into foreign currency forward contracts to manage exposure to the currency risk for payables which are denominated in a currency other than the functional currency of the Group. The notional amount and maturity date of the foreign currency forward contracts outstanding as at balance sheet date are as follows:-

Group	Foreign currency	Expiry dates	Contract amounts in foreign currency	RM'000 equivalent
2009				
Forward contracts	USD	July 2009	1,705,000	6,036
used to hedge	USD	August 2009	1,400,000	4,960
trade payables	USD	September 2009	655,000	2,312
	USD	October 2009	725,000	2,558
	USD	November 2009	830,000	2,932
	USD	December 2009	980,000	3,464
2008				
Forward contracts	Euro	July 2008	250,000	1,130
used to hedge	Euro	December 2008	250,000	1,128
other payables	Euro	June 2009	250,000	1,128

The unrecognised gain as at 30 June 2009 on the forward contracts of RM25,895 (2008: RM478,975) are deferred and will be recognised when the related foreign transactions materialised, at which time they are included in the measurement of the transactions.

The net unhedged financial assets and liabilities of the Group that are not denominated in the functional currency are as follows:-

	Group 2009 RM'000	Group 2008 RM'000
Trade receivables		
US Dollar	385	372
Trade payables		
Euro	191	249
US Dollar	972	883
Other payables		
Euro	-	260
US Dollar	71	521

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management objectives and policies (cont'd)

(iv) Interest rate risk

Interest rate exposure arises from the Group's borrowings mainly through the use of fixed and floating rate debt. The Group's fixed-rate deposits and borrowings are exposed to a risk of changes in their fair values due to changes in interest rates. The Group's floating rate borrowings are exposed to a risk of changes in the cash flows due to changes in interest rates. There is no formal hedging policy with respect to interest rate exposure.

The Group had no substantial long term interest-bearing assets at 30 June 2009. The investments in financial assets are mainly short term in nature and they are not held for speculative purpose but have been mostly placed in fixed deposits which yield better returns than cash at bank.

The following tables set out the carrying amounts, the weighted average effective annual interest rates ("WAEAIR") at the balance sheet date and the remaining maturity of the Group's financial instruments that are exposed to interest rate:-

Group	WAEAIR %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
At 30 June 2009								
Fixed rate instruments								
Deposits placed with financial institutions	3.37	6,271	-	-	-	-	-	6,271
Hire-purchase and lease creditors	6.99	4,415	2,918	2,489	1,254	442	-	11,518
Floating rate instruments								
Bankers' acceptances	2.48	22,819	-	-	-	-	-	22,819
Revolving credits	4.11	15,180	-	-	-	-	-	15,180
Term loans	5.76	2,750	4,500	5,750	10,476	-	-	23,476
Islamic acceptance bills	8.00	489	-	-	-	-	-	489
Islamic term borrowings - Ijarah	6.70	962	1,034	1,100	1,176	130	-	4,402
Bank overdrafts	6.25	473	-	-	-	-	-	473
At 30 June 2008								
Fixed rate instruments								
Deposits placed with financial institutions	3.63	6,882	-	-	-	-	-	6,882
Other payables (Note 25(b)(i))	1.30	1,262	-	-	-	-	-	1,262
Hire-purchase and lease creditors	6.37	4,955	3,767	2,222	1,738	442	-	13,124
Term loans	8.75	610	125	98	107	116	228	1,284
Floating rate instruments								
Bankers' acceptances	4.05	27,663	-	-	-	-	-	27,663
Revolving credits	5.50	15,000	-	-	-	-	-	15,000
Terms loans	5.12	1,504	2,750	4,500	5,750	8,218	-	22,722
Islamic term borrowings - BBA	7.57	59	61	67	72	78	703	1,040
Bank overdrafts	8.08	2,732	-	-	-	-	-	2,732

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair values

The carrying amounts of financial assets and liabilities of the Group and of the Company, which are classified as current assets and current liabilities, approximate fair values due to the relatively short term maturity of these financial instruments.

In respect of long term borrowings on floating rates, the carrying amounts approximate fair values as they are on floating rates and they reprice to market interest rates for liabilities with similar risk profiles.

The Company provides financial guarantees to financial institutions for banking facilities extended to certain subsidiaries (Note 39). The fair value of such financial guarantees is not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

It is not practical to estimate the fair value of the Company's investment in unquoted shares due to the lack of comparable market prices and the inability to estimate fair value without incurring excessive costs.

The fair values of other financial instruments together with the carrying amounts shown in the balance sheets, are as follows:-

	2009		2008	
	Carrying amount RM'000	**Fair value RM'000**	**Carrying amount RM'000**	**Fair value RM'000**
Hire-purchase and lease creditors	11,518	11,518	13,124	13,124
Term loans	-	-	1,284	1,284
Foreign currency forward contracts				
-unrecognised gain	-	26	-	479

The following methods and assumptions are used to determine the fair values of financial instruments:-

(i) The fair values of hire-purchase and term loans are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on its size and business risks.

(iii) The fair values of forward foreign exchange contracts are the estimated amount payable on the termination of the outstanding position arising from such contracts and are determined by reference to the difference between the contracted rate and the forward exchange rate at the balance sheet date for contracts with similar quantum and maturity profile.

35. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

Related parties of the Group include:-

(i) Direct and indirect subsidiaries as disclosed in the Note 10 to the financial statements;

(ii) Datuk Johari Bin Abdul Ghani and Datin Mariam Prudence Binti Yusof, the major shareholders of the Company;

(iii) Key management personnel which comprises persons (including the Directors of the Company) having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly; and

(iv) Corporations in which Directors of the Company have substantial financial interests.

35. RELATED PARTY DISCLOSURES (CONT'D)

(b) Related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:-

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Corporations in which a Director of the Company has deemed interest				
- Purchases of raw materials	772	2,202	-	-
- Issuance of new shares of the Company pursuant to the conversion of warrants	2,160	-	2,160	-
- Royalty paid and payable	494	419	-	-
Director:				
- Issuance of new shares of the Company pursuant to the conversion of warrants	950	-	950	-
Subsidiaries				
- Interest income	-	-	89	24
- Dividend income	-	-	9,206	6,996
- Management fee	-	-	1,400	1,298

The transactions have been entered into in the normal course of business and are based on negotiated and mutually agreed terms.

Significant balances with subsidiaries as at balance sheet date are disclosed in Note 15 to the financial statements. The amount owing to a corporation in which a Director of the Company has deemed interest as at the balance sheet date amounted to RM453,571 (2008: RM955,277), which is unsecured, interest-free and repayable based on normal credit term.

(c) Compensation of key management personnel

The remuneration of Directors and other key management personnel during the financial year was as follows:-

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Short term employee benefits	4,950	4,977	1,034	899
Contributions to defined contribution plan	385	366	116	83
	5,335	5,343	1,150	982

36. CAPITAL COMMITMENTS

	Group 2009 RM'000	Group 2008 RM'000
Capital expenditure in respect of purchase of property, plant and equipment:-		
- approved but not contracted for	1,490	-
- contracted but not provided for	6,549	5,739
	8,039	5,739

37. NON-CANCELLABLE OPERATING LEASE COMMITMENTS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Future minimum lease payments				
- not later than one year	2,983	2,068	147	35
- later than one year and not later than five years	10,903	7,686	184	-
- later than five years	1,790	5,696	-	-
	15,676	15,450	331	35

Included in the non-cancellable operating lease commitments of the Group is an operating lease arising from the leaseback of the Group's disposed properties for a lease period of ten years at a rental rate of RM132,250 per month for the first five years and RM136,084 per month for the remaining lease period of five years.

In the previous financial year, the Group has been reimbursed for the costs incurred on the construction of additional lettable area within the said disposed properties from the lessor. Upon the reimbursement, the rental rate has been revised to RM157,250 per month from 1 February 2008 to 31 May 2011 and RM162,751 per month for the remaining lease period of five years.

38. EMPLOYEE BENEFITS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Salaries and wages	31,515	26,191	1,479	1,284
Social security contribution	231	45	5	5
Contributions to defined contribution plan	2,816	2,435	181	142
Defined benefits plans	410	598	-	-
Other employee benefits	1,172	2,297	48	55
	36,144	31,566	1,713	1,486

39. CONTINGENT LIABILITIES

	Company	
	2009 RM'000	2008 RM'000
Unsecured		
Guarantees given by the Company to financial institutions in respect of:-		
(i) Banking facilities granted to subsidiaries	58,824	63,902
(ii) Hire-purchase and lease facilities granted to subsidiaries	2,764	5,947
	61,588	69,849

40. MATERIAL LITIGATIONS

(a) On 27 June 2003, Prosper Chain Quarry Sdn. Bhd. served a Writ of Summons on a wholly-owned subsidiary of the Company for damages of RM3.06 million for wrongful termination of the extended quarry contract. The subsidiary has filed and served a Statement of Defence on 21 August 2003. The hearing of the case management is fixed on 12 and 13 October 2009.

Based on the advice of the lawyers and the evidence available to this case, the Board of Directors is confident that the subsidiary will successfully defend this case.

(b) KKS Trading Sdn. Bhd. ("KKS") filed a suit against a wholly-owned subsidiary of the Company at the Kuala Lumpur High Court, claiming a sum of RM3.10 million as damages suffered by reason of the subsidiary alleged wrongful termination of a distribution partner agreement. The matter is fixed for case management on 1 October 2009.

Based on the advice of the lawyers and the evidence available to this case, the Board of Directors is confident that the subsidiary will successfully defend this case.

(c) Pursuant to a Kuala Lumpur High Court Commercial Division Suit, Kickapoo Malaysia Sdn. Bhd. ("Kickapoo") claimed for an injunction and damages for a purported "economic tort" allegedly carried out by two of the Company's wholly-owned subsidiaries, being the 3rd and 4th Defendant in this suit, against Kickapoo. Kickapoo claimed that the subsidiaries had:-

(i) procured or induced a breach of contract and/or interfered with the contract between Kickapoo and its purported franchisor ("the Contract");

(ii) wilfully and intentionally interfered with the Contract in view of the prospective economic advantage; and

(iii) conspired with the first and second Defendant with intent and via unlawful means caused losses to Kickapoo.

The above case arose from the fact that the subsidiaries were authorised by SV Beverages Holdings Sdn. Bhd. ("SVB"), the Malaysian Franchisee of Kickapoo Joy Juice Products ("Products"), to manufacture, sell and distribute the said Products.

On 18 April 2008, the Chief Justice directed that the case be heard in the High Court Dagang 5 (Intellectual Property Court) and that Monarch Beverage (Europe) Ltd., the owner of the Kickapoo Brand be joined as a party to the case. The Court has fixed the hearing of the case on 14 and 17 December 2009.

Based on the advice of the lawyers and the evidence available to this case, the Board of Directors is confident that the subsidiaries will successfully defend this case. In any event, the Board of Directors is of the opinion that the case would not have a substantial impact on the subsidiaries as the subsidiaries are fully indemnified by Monarch Beverage (Europe) Ltd., the Franchisor and SVB.

40. MATERIAL LITIGATIONS (CONT'D)

(d) Teck Guan Trading Sdn. Bhd. ("TGT") filed a suit for a sum of RM1.42 million against a wholly-owned subsidiary of the Company for the wrongful termination of the Distribution Partner Agreement dated 5 August 2004 by the subsidiary on the grounds of TGT's failure to meet the set performance target. The case was part heard on 17 July 2009 and will continue on 25 September 2009.

Based on the advice of the lawyers and the evidence available to this case, the Board of Directors is confident that the subsidiary will successfully defend this case.

41. SEGMENT INFORMATION

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and returns are affected predominantly by differences in the products and services it produces.

No segment information by geographical has been presented as the Group operates predominantly in Malaysia.

(b) Business segments

The Group is organised into three major business segments:-

(i) Beverage
(ii) Building and construction related products
(iii) Investment holdings

Other business segments include subsidiaries principally engaged in the provision of engineering services and other operations, where none of which are of a sufficient size to be reported separately. Nevertheless, these subsidiaries have ceased operations in the previous financial years and remained inactive.

30 June 2009	Beverage RM'000	Building and construction related products RM'000	Investment holdings RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	327,742	35,076	163	-	-	362,981
Inter-segment sales	-	-	10,695	-	(10,695)	-
Total revenue	327,742	35,076	10,858	-	(10,695)	362,981
Results						
Segment results	25,605	2,868	10,545	(9)	(9,199)	29,810
Loss on changes in fair values of investment properties	(1,211)	-	-	-	-	(1,211)
Impairment losses	(300)	(332)	-	-	-	(632)
Profit before tax						27,967
Tax expense						(7,085)
Profit after tax						20,882
Assets						
Segment assets	247,079	36,781	27,213	16	(22,268)	288,821
Non-currents assets held for sale	4,500	-	-	-	-	4,500
Unallocated assets						1,603
Consolidated total assets						294,924

41. SEGMENT INFORMATION (CONT'D)

(b) Business segments (cont'd)

30 June 2009	Beverage RM'000	Building and construction related products RM'000	Investment holdings RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Liabilities						
Segment liabilities	141,159	19,636	16,911	1,446	(24,784)	154,368
Unallocated liabilities						6,598
Consolidated total liabilities						160,966
Other information						
Capital expenditure	11,884	222	20	-	-	12,126
Depreciation	12,200	639	8	-	-	12,847
Amortisation	34	27	-	-	-	61
Non-cash expenses other than depreciation, amortisation and impairment losses and loss on changes in fair values of investment properties	10,049	82	7	-	(7)	10,131

30 June 2008	Beverage RM'000	Building and construction related products RM'000	Investment holdings RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	261,302	29,149	-	-	-	290,451
Inter-segment sales	-	-	8,318	-	(8,318)	-
Total revenue						290,451
Results						
Segment results	14,358	1,769	6,687	27	(6,992)	15,849
Loss on changes in fair values of investment properties	(200)	(3)	-	-	-	(203)
Impairment losses	(100)	-	-	-	-	(100)
Profit before tax						15,546
Tax expense						(1,101)
Profit after tax						14,445
Assets						
Segment assets	225,517	38,360	10,111	22	(18,622)	255,388
Non-current assets held for sale	4,800	350	-	-	-	5,150
Unallocated assets						3,971
Consolidated total assets						264,509
Liabilities						
Segment liabilities	137,476	23,753	15,605	1,444	(22,042)	156,236
Unallocated liabilities						2,749
Consolidated total liabilities						158,985

41. SEGMENT INFORMATION (CONT'D)

(b) Business segments (cont'd)

30 June 2008	**Beverage RM'000**	**Building and construction related products RM'000**	**Investment holdings RM'000**	**Others RM'000**	**Eliminations RM'000**	**Consolidated RM'000**
Other information						
Capital expenditure	35,482	303	4	-	-	35,789
Depreciation	10,856	468	10	-	-	11,334
Amortisation	32	13	-	-	-	45
Non-cash expenses other than depreciation, amortisation, impairment losses and loss on changes in fair values of investment properties	9,239	381	5	-	(4)	9,621

(c) The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and are based on negotiated and mutually agreed terms.

list of **properties**
as at 30 June 2009

Tenure	Location	Approximately Land Area (sq ft)	Approximate Age of Buildings (Year)	Description	Date of Acquisition	Net Book Value RM'000
SELANGOR DARUL EHSAN						
Freehold	Agriculture Land at Lot 6659 Jalan Kampung Bukit Cerakah, Meru Meru 41050 Klang Geran 28082 Mukim Kapar Daerah Klang, Selangor	265,716	14	Factory	24/06/2001	1,855
NEGERI SEMBILAN DARUL KHUSUS						
Leasehold 99 years expiring 2077	Land with building at HS(D) 658 PT 1342 Senawang Industrial Estate Seremban, Negeri Sembilan	130,680 (Built-up Area)	30	Factory for Manufacturing Tap wares	10/06/1978	1,080
Freehold (2 individual Lots)	Land at HS(D) 14031 PT 3272 HS(D) 14036 PT 3277 Mukim Si Rusa Daerah Port Dickson Negeri Sembilan	91,168	-	Bungalow Land for Future Development of Orchard and Building	03/11/1999	180
MELAKA						
Freehold	Industrial Land with building at HS(D) 3360 PT 325 Sungei Petai Daerah Alor Gajah Melaka	75,660	11	Industrial Land Warehouse	02/07/1996 17/06/1998	605 -
Leasehold 99 years expiring 2101	Land with building at Lot No. 6672 - 6674 PM No. 567 - 569 Lot No. 6667 - 6669 PM No. 571 - 573 Mukim Sungei Baru Tengah Daerah Alor Gajah, Melaka	93,099 (Built-up Area)	14	Factory for Manufacturing Sanitary wares	03/11/1995	6,020
JOHOR DARUL TAKZIM						
Freehold	Industrial Land at Lot 87 G.M. 314 Mukim Tebrau, Johor Bahru	285,856	-	Vacant	21/10/1997	4,500
Leasehold 60 years expiring 2028	Industrial Land with building at No. 12, Jalan Padu Larkin Industrial Estate 80350 Johor Bahru Johor Darul Takzim	111,350	31	Single Storey Factory with an Annexed Single Storey Office, Warehouse, Open-side Workshop, Canteen, Pump House and Guard House	30/03/1978	2,300

list of **properties** (cont'd)

Tenure	Location	Approximately Land Area (sq ft)	Approximate Age of Buildings (Year)	Description	Date of Acquisition	Net Book Value RM'000
PULAU PINANG						
Leasehold 999 years expiring 2876	Agriculture Land at Lot No. 682 Geran No. 47673 Lot No. 683 Geran No. 47674 Mukim 12, Dearah Seberang Perai Selatan, Negeri Pulau Pinang	60,461 125,845	-	Vacant	07/03/1994	1,100
KEDAH DARUL AMAN						
Freehold	Agriculture Land at HS (M) 15-80 PT No. 661 (Lot 2760) Mukim Ulu Melaka Daerah Langkawi Negeri Kedah	117,067	-	Vacant	31/05/1998	-

analysis of **shareholdings**
as at 28 August 2009

Authorised share capital	:	RM500,000,000.00
Issued and fully paid-up share capital	:	RM142,000,000.00
Class of shares	:	Ordinary shares of RM1.00 each
Voting rights by show of hand	:	One vote for every member
Voting rights by poll	:	One vote for every share held

ANALYSIS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	37	1.11	883	0.00
100 - 1,000	1,337	39.99	1,250,250	0.88
1,001 - 10,000	1,703	50.94	6,198,197	4.37
10,001 - 100,000	221	6.61	6,055,370	4.26
100,001 to less than 5% of issued shares	42	1.26	55,440,800	39.04
5% and above of issued shares	3	0.09	73,054,500	51.45
Total	3,343	100.00	142,000,000	100.00

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

NO.	NAME	DIRECT NO. OF SHARES HELD	%	INDIRECT NO. OF SHARES HELD	%
1.	Datuk Johari Bin Abdul Ghani	36,000,000	25.35	-	-
2.	Permodalan Nasional Berhad	22,232,400	15.66	-	-
3.	Continental Theme Sdn Bhd	14,822,100	10.44	-	-
4.	Datin Mariam Prudence Binti Yusof	-	-	28,400,000[1]	20.00[1]
5.	Syed Khalil Bin Syed Ibrahim	-	-	14,822,100[2]	10.44[2]
6.	Yayasan Pelaburan Bumiputra	-	-	22,232,400[3]	15.66[3]

Notes:

1 Deemed interest through Du Ain Sdn Bhd, Duclos Sdn Bhd, Syed Ibrahim Sdn Bhd, Leasing Corporation Sdn Bhd, Sisma Vest Sdn Bhd and Sisma Water Technology Sdn Bhd.

2 Deemed interest by virtue of his substantial shareholding in Continental Theme Sdn Bhd.

3 Deemed interest through its shareholding of 100% less one share of Permodalan Nasional Berhad by virtue of Section 6A of the Companies Act, 1965.

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS

NO.	NAME	DIRECT NO. OF SHARES HELD	%	INDIRECT NO. OF SHARES HELD	%
1.	Dato' Seri Abdul Ghani Bin Abdul Aziz	60,000	0.04	-	-
2.	Datuk Johari Bin Abdul Ghani	36,000,000	25.35	-	-
3.	Datin Mariam Prudence Binti Yusof	-	-	28,400,000[1]	20.00[1]

Note :

1. Deemed interest through Du Ain Sdn Bhd, Duclos Sdn Bhd, Syed Ibrahim Sdn Bhd, Leasing Corporation Sdn Bhd, Sisma Vest Sdn Bhd and Sisma Water Technology Sdn Bhd.

analysis of **shareholdings** (cont'd)
as at 28 August 2009

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1.	Johari Bin Abdul Ghani	36,000,000	25.35
2.	Permodalan Nasional Berhad	22,232,400	15.66
3.	Continental Theme Sdn Bhd	14,822,100	10.44
4.	Duclos Sdn Bhd	5,360,000	3.77
5.	Leasing Corporation Sdn Bhd	4,609,000	3.25
6.	Syed Ibrahim Sdn Bhd	4,540,000	3.20
7.	HLG Nominee (Tempatan) Sdn Bhd *Pledged Securities Account for Zaharen Bin Zakaria*	4,000,000	2.82
8.	CIMB Group Nominees (Tempatan) Sdn Bhd *Exempt an for BHLB Trustee Berhad (50106 TR01)*	4,000,000	2.82
9.	Sisma Vest Sdn Bhd	3,900,000	2.75
10.	Sisma Water Technology Sdn Bhd	3,662,000	2.58
11.	Du Ain Sdn Bhd	3,329,000	2.34
12.	HSBC Nominees (Asing) Sdn Bhd *Exempt an for Credit Suisse (SG-BR-TST-ASING)*	3,280,100	2.31
13.	EB Nominees (Tempatan) Sendirian Berhad *Pledged Securities Account for Sisma Water Technology Sdn Bhd (MIMB)*	3,000,000	2.11
14.	Zaharen Bin Zakaria	2,900,000	2.04
15.	DB (Malaysia) Nominee (Asing) Sdn Bhd *Exempt an for EFG Bank AG (Hong Kong)*	2,500,000	1.76
16.	Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Erwin Selvarajah A/L Peter Selvarajah*	950,000	0.67
17.	Citigroup Nominees (Asing) Sdn Bhd *CBLDN for SNS Bank N.V.*	916,000	0.64
18.	DB (Malaysia) Nominee (Asing) Sdn Bhd *Exempt an for Deutsche Bank AG Singapore (PWM Asing)*	763,000	0.54
19.	Astaman Bin Abdul Aziz	750,100	0.53
20.	Neoh Choo Ee & Company Sdn Berhad	700,000	0.49
21.	M & S Food Industries Sdn Bhd	604,800	0.43
22.	PM Nominees (Tempatan) Sdn Bhd *PCB Asset Management Sdn Bhd for MUI Continental Insurance Berhad*	487,000	0.34
23.	Ong Joo Theam	450,000	0.32
24.	Dagang Setia Sdn Bhd	427,000	0.30
25.	Erwin Selvarajah A/L Peter Selvarajah	400,000	0.28
26.	Dynaquest Sdn Berhad	400,000	0.28
27.	Lekhraj Pursoomal Samtani	380,000	0.27
28.	Cartaban Nominees (Tempatan) Sdn Bhd *AXA Affin General Insurance Berhad*	346,000	0.24
29.	OSK Nominees (Tempatan) Sdn Berhad *Pledged Securities Account for Chong Lee Fong*	315,000	0.22
30.	HLB Nominees (Asing) Sdn Bhd *Pledged Securities Account for Keen Capital Investments Limited (SIN 9534-6)*	283,600	0.20
		126,307,100	88.95

additional **compliance information**

CORPORATE PROPOSALS AND UTILISATION OF PROCEEDS
There were no corporate proposals carried out by the Company during the financial year.

SHARE BUY-BACK
The Company did not carry out any share buy-back during the financial year.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES
There were no options, warrants nor convertible securities issued by the Company during the financial year.

NON-AUDIT FEES
The total amount of non-audit fees paid/payable to the external auditors and their affiliated companies by the Group for the financial year ended 30 June 2009 was RM23,520.

VARIATION IN RESULTS
There were no material variances between the results of the financial statements for the year ended 30 June 2009 and the unaudited results previously announced.

PROFIT GUARANTEE
The Company did not give nor receive any profit guarantee during the financial year.

MATERIAL CONTRACTS
There were no material contracts entered into by the Company and/or its subsidiaries involving Directors' and major shareholders' interests during the financial year.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE
The breakdown of the aggregate value of the recurrent related party transactions of a revenue or trading nature carried out by the C.I. Holdings Berhad Group during the financial year ended 30 June 2009 pursuant to the shareholders' mandate obtained on 30 October 2008 are as follows :-

Related Party	Transacting Party	Nature of Transaction	Actual (RM)
SV Beverages Holdings Sdn Bhd ("SVB")	Permanis Sdn Bhd ("Permanis")	Purchase of raw materials by Permanis from SVB	772,104
		Royalty payable by Permanis to SVB	494,470

DISCLOSURE OF THE RESTRICTIVE COVENANT CLAUSE IN THE EXCLUSIVE BOTTLING AGREEMENTS
Permanis is the licensed bottler manufacturer and distributor with exclusive rights to bottle, market, sell and/or distribute beverages under the trademarks of "Pepsi", "Pepsi Twist", , "Pepsi Blue", "Pepsi Max", "Gatorade", "Sting", "Mirinda", "Evervess", "Mountain Dew" and "Seven-Up" in Malaysia pursuant to the Exclusive Bottling Agreement dated 1 January 2007 ("EBA").

The details of the EBA are as follows:

Date	EBA and Licensors	Particulars
1 January 2007	PepsiCo, Inc. and Seven-Up International, a division of The Concentrate Manufacturing Company of Ireland ("PepsiCo EBA")	To bottle, market, sell and/or distribute beverages under the trademarks of "Pepsi", "Pepsi Twist", "Pepsi Blue", "Pepsi Max", "Gatorade", "Sting", "Mirinda", "Evervess", "Mountain Dew" and "Seven-Up" in Malaysia.

While there are no restrictions in the trading of the Company's listed shares on Bursa Malaysia Securities Berhad, Permanis is required to first obtain the consent of the respective EBA Licensors should there be any sale, transfer, change of ownership or other disposition whether directly or indirectly, and whether in a single transaction or a series of transaction, of any share, stock or other evidence of ownership held by the named major shareholders in the Company as set out in the Agreements.

However, despite such restrictions which have been imposed consistently in the past to prevent any unauthorized transfer of controlling shares in Permanis, it has thus far been able to renew the respective EBAs since the time it was first granted the licence by the Licensors over thirty-five (35) years ago.

AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMME
The Company did not sponsor any ADR or GDR programme during the financial year.

IMPOSITION OF SANCTIONS AND/OR PENALTIES
There were no sanctions and/or penalties imposed on the Company and/or its subsidiaries, directors or management by any regulatory bodies during the financial year.

REVALUATION POLICY ON LANDED PROPERTIES
The Company did not adopt any revaluation policy on landed properties during the financial year.

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C.I. Holdings Berhad

(Company No. 37918-A)
(Incorporated in Malaysia)

form of **proxy**

Number of Shares Held	

Thirty-First Annual General Meeting

I/We...NIRC No..................................
of..
....
being a member of C.I. HOLDINGS BERHAD hereby appoint...of
....or
failing him/her,..
of..
or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Thirty-First Annual General Meeting of the Company to be held at Tun Rahah Grand Hall, Level 1, Menara Yayasan Tun Razak, No. 200, Jalan Bukit Bintang, 55100 Kuala Lumpur on Monday, 12 October 2009 at 9.00 a.m. and at any adjournment thereof.

My/our proxy(ies) is/are to vote as indicated below:-

RESOLUTION NO.	ORDINARY BUSINESS	FOR	AGAINST
Ordinary Resolution 1	To receive the Audited Financial Statements and Directors' and Auditors' Reports		
Ordinary Resolution 2	To approve a final dividend of 5.0 sen per share less tax at 25%		
Ordinary Resolution 3	To approve the payment of Directors' Fees		
Ordinary Resolution 4	To re-elect Dato' Seri Abdul Ghani Bin Abdul Aziz as Director		
Ordinary Resolution 5	To re-elect Datuk Wira Syed Ali Bin Tan Sri Syed Abbas Alhabshee as Director		
Ordinary Resolution 6	To re-elect Teh Bee Tein as Director		
Ordinary Resolution 7	To re-appoint Maj Gen (R) Dato' Mohamed Isa Bin Che Kak as Director		
Ordinary Resolution 8	To re-appoint Messrs BDO Binder as Auditors of the Company		
	SPECIAL BUSINESS		
Ordinary Resolution 9	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with SV Beverages Holdings Sdn Bhd		

(Please indicate with an "X" how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.)

Dated this ___________day of______________________2009

____
(Signature/Common Seal of Shareholder)

Notes:

1. A member of the Company who is entitled to attend and vote at the Meeting is entitled to appoint one or more than one proxy to attend and vote in his(her) stead. A proxy need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
2. The instrument appointing a proxy shall be in writing under the hands of the appointor or of his(her) attorney duly authorised in writing or if the appointor is a corporation either under its common seal or under the hand of its officer or its duly authorised attorney.
3. Where a member appoints two or more proxies, he(she) shall specify the proportion of his/her shareholdings to be represented by each proxy.
4. The instrument appointing a proxy must be deposited at the Company's registered office at Level 10, Menara Yayasan Tun Razak, No. 200, Jalan Bukit Bintang, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting.

Fold this flap for sealing

Then fold here

STAMP

The Company Secretary

C.I. HOLDINGS BERHAD

(Company No. 37918-A)
Level 10
Menara Yayasan Tun Razak
No. 200, Jalan Bukit Bintang
55100 Kuala Lumpur

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