

5. INDUSTRY REVIEW

The CIH Group's principal activities are selling, bottling and distribution of beverages. However, it also has subsidiaries which are involved in investment holding, manufacturing and trading of water taps and other plumbing accessories, building, civil and infrastructure, contractor and quarry operator, provision of management services, marketing and selling of granite quarry products, granite quarrying and manufacture of bitumen hot premix for road surfacing, quarry proprietors and operators, extraction of granite, installation and servicing of automotive air-conditioning, marketing and distribution of beverages and manufacturing, marketing, selling and distribution of water products.

The prospects of the Group is inherently linked to the growth of the following:

- (i) Malaysian economy; and
- (ii) Malaysian food and beverage industry.

The Sections below include statistical data and economic information regarding the general economic and business conditions of Malaysia, which were obtained from industry publications as quoted herein. The cross-references for the sources generally indicate that the Company has obtained the information from sources believed to be reliable. Nevertheless, the Company does not guarantee the accuracy and completeness of such information. While the Company believes the information to be reliable, the Company has not independently verified such information. The Company has also not sought the consent of any of these organisations for referring to their reports in this Abridged Prospectus.

5.1 Overview of the Malaysian Economy

The Malaysian economy remains resilient to post a higher real gross domestic product ("GDP") growth in the first half of 2003, despite the adverse external economic environment. While the outbreak of the Severe Acute Respiratory Syndrome ("SARS") in the region had some transitory negative effects on tourism-related industries, it did not significantly impact the overall performance of the Malaysian economy in the first half of 2003. Consumer and business sentiments are expected to be further enhanced following the containment of SARS and better world economic outlook anticipated for the rest of 2003. Hence, growth momentum is envisaged to continue in the second half of 2003. Overall growth for 2003 is estimated at 4.5%. Growth is expected to be across the board, driven largely by services and manufacturing output.

The steady economic performance, underpinned by stronger domestic demand and mild growth in the external sector, reflects the cumulative effect of the pro-growth fiscal and monetary policy measures. The growth was achieved in an environment of low inflation amidst stable labour market conditions. Further build-up in international reserves arising from larger current account surpluses and high commodity prices as well as better capitalisation and restructuring of the banking and corporate sectors have strengthened macro economic fundamentals. In an environment of increasing external uncertainties, domestic demands have proven to be a major contributory factor to economic growth over the past few years. Overall, the Malaysian economy has become more resilient as domestic demand continues to drive growth in the face of a weak external sector. As business and consumer confidence gains further momentum, boosted by the introduction of the Package of New Strategies towards stimulating the nation's economic growth in generating economic activities by mobilising domestic sources of growth, domestic demand (excluding changes in stocks) is expected to strengthen by 5% and contribute 4.5% to GDP growth.

The economic outlook for 2004 is envisaged to be favourable. Real GDP growth is expected to gain momentum and register a higher rate of 5.5% to 6% in 2004. Growth is expected to emanate from higher exports on account of continuing improvement in world economic prospects while domestic demand will continue to be driven by pro-growth fiscal and monetary measures. Whilst all sectors are forecast to register higher growth, services and manufacturing will continue to lead GDP growth, contributing 3.1% and 2.2% respectively.

Of particular importance is the shift in the structure of the economy to focus on the services sector in keeping with the status of the nation as a more developed economy. The agriculture sector will be revitalised and emerge as the third engine of growth. In line with better economic prospect, per capita income is projected to continue to increase by 4.3% to RM14,954 in 2004 compared to RM14,343 in 2003, while income in term of purchasing power parity will also increase by 5.3% to United States Dollar ("USD")9,887 in 2004 compared to the increased of 6% to USD9,390 in 2003.

(Source: Economic Report 2003/2004)

5.2 Overview of the Malaysian Food and Beverage Industry

The changing demographic structure towards a young population profile with 27% in the age group between 15 to 29 years old, has in turn changed the consumption pattern of Malaysians. With higher per capita income, coupled with modern urban lifestyles, Malaysians' consumption of ready-to-serve and fast food items has accelerated. Canned drinks, in particular carbonated drinks, surged to almost 50% of total output of beverages. The food, beverages and tobacco industries worth more than RM5,960 million contributed to 10% of total manufacturing output, expanded appreciably to record higher growth of 11.7% compared to the growth of 1.2% for the period from January 2002 to June 2002.

The stronger pick-up anticipated in business confidence and consumer sentiment for 2004 is expected to increase private sector expenditure by 7.5% in 2004 compared to 4.6% in 2003. However, with a view to consolidating, public sector expenditure will decrease by 0.1% in 2004 compared to 5.8% in 2003. Consequently, private sector contribution to real GDP growth will increase by as much as 4.3% in 2004 compared to 2.6% in 2003 as against zero contribution in 2004 compared to 1.9% in 2003 by the public sector.

In the case of public consumption, it is budgeted to increase at a moderate rate of 4.9% in 2004 compared to 7.2% in 2003 mainly to cover emolument and higher outlays on supplies and services.

(Source: Economic Report 2003/2004)

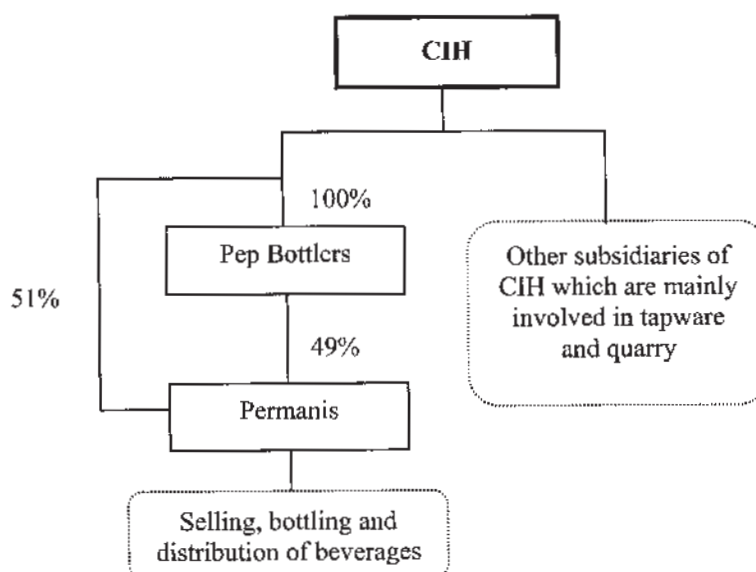
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6. BUSINESS OVERVIEW, FUTURE PLANS AND PROSPECTS OF THE CIH GROUP

6.1 Business and Group Structure

The CIH Group's principal activities are selling, bottling and distribution of beverages. The Company also has subsidiaries which are involved in investment holding, manufacturing and trading of water taps and other plumbing accessories, building, civil and infrastructure, contractor and quarry operator, provision of management services, marketing and selling of granite quarry products, granite quarrying and manufacture of bitumen hot premix for road surfacing, quarry proprietors and operators, extraction of granite, installation and servicing of automotive air-conditioning, marketing and distribution of beverages and manufacturing, marketing, selling and distribution of water products.

The group structure of the CIH Group is as follows:



Further details on the CIH Group are set out in Section 1 of Appendices II to IV of this Abridged Prospectus.

6.2 Principal Products

Following the completion of the Acquisitions, Permanis is now a wholly-owned subsidiary of CIH and the new principal activities of the CIH Group are mainly in selling, bottling and distribution of beverages.

Pursuant to an Exclusive Bottling Agreement ("EBA") dated 28 January 2002 between Permanis and PepsiCo, Inc., Permanis was granted the license to bottle, market, sell and/or distribute beverages under the trademarks of "Pepsi", "Diet Pepsi", "Pepsi Light", "Pepsi Twist", "Pepsi Blue", "Mirinda", "Evervess", "Mountain Dew" and "Seven-Up" which is valid until 1 January 2007. In addition, on 4 December 2002, Permanis was also granted the exclusive right to bottle, market, sell and/or distribute the isotonic beverage under the brand name "Gatorade" by Stokely-Van Camp, Inc. pursuant to an EBA, which shall be valid until the EBA dated 28 January 2002 between PepsiCo, Inc. and Permanis (as mentioned above) expires on 1 January 2007.

Permanis also manufactures its own brand of drinks which includes beverages under the trademarks of "Chill", "Excel", "Frost", "Bleu", "Shot" and "Crystal Spring".

6.3 Operations

Permanis currently operates from two (2) manufacturing plants in the following locations:

- Bangi, Selangor Darul Ehsan; and
- Meru, Port Klang, Selangor Darul Ehsan.

The plant in Bangi is situated on a land area of 38,729 square metres (416,876 square feet) and has a gross built-up area of 2,898 square metres (31,322 square feet). The plant in Bangi comprises a factory/warehouse, two-storey adjoined office building, sales office and water treatment plant which houses the production of Pepsi and various beverages under Permanis.

The plant in Meru, Port Klang is situated within a land area of approximately 6 acres comprising a factory, annex office building, warehouse and pump house. The plant in Meru, Port Klang houses the production of mineral/drinking water products.

The plants on average are currently operating at around 60% to 65% capacity i.e. producing twelve (12) million cases per year. These plants have the capability to operate at 100% capacity. The plant in Bangi, Selangor Darul Ehsan has five (5) production lines with the following operating capacities:

	No. of lines	Maximum output per minute
(i) Can	1	1000 cans
(ii) Polyethyleneterephthalate ("PET") bottles	2	
– 1.5 litres		280 PET bottles
– 500 millilitres		220 PET bottles
(iii) Returnable glass bottles	1	450 returnable glass bottles
(iv) Syrup concentrate	1	3 boxes

In the years 2000 and 2001, the plant in Bangi, Selangor Darul Ehsan was voted by PepsiCo, Inc. as the most efficiently operated Pepsi-affiliated plant in the world.

6.4 Distribution Channels

The breakdown of sales based on type of market and geographical area for the financial year ended 30 June 2003 are as follows:

Type of market	Percentage of sales %
Supermarkets/Hypermarkets	20
Coffee shops and provision shops	50
Quick service restaurants	20
Others	10
Total	<u>100</u>

Geographical area	Percentage of sales %
Central region	40
Southern region	30
Eastern region	12
Northern region	15
Exports	3
Total	<u>100</u>

6.5 Customer Base

Permanis has long term contracts with quick service restaurants such as KFC, Pizza Hut, Marrybrown, Sushi King, Fish Shop, Chicken Rice Shop and Dome where Permanis has exclusive rights to sell soft drinks and Cola in these quick service restaurants. The contracts with these quick service restaurants are generally between three (3) and five (5) years. The current supply contracts to KFC and Pizza Hut will expire in 2005 and are renewable. The top customers of Permanis include KFC Peninsular Sdn Bhd, Makro Cash & Carry Sdn Bhd, Convenience Shopping Sdn Bhd, Magnificent Diagraph Sdn Bhd and Giant Cash & Carry Sdn Bhd, which Permanis has established long-term relationships with these customers for approximately 5 to 15 years.

6.6 Supplier Base

Permanis is assured of constant supply with respect to "Pepsi", "Mirinda" and "Seven-Up", as the relationship with PepsiCo, Inc. and The Concentrate Manufacturing Company of Ireland have been long established and are reliable suppliers. Furthermore, with respect to "Gatorade", Permanis has built a good relationship with Stokely-Van Camp, Inc.. The major suppliers of Permanis include PepsiCo, Inc., Carnaudmetalbox Bevcan Sdn Bhd, Malayan Sugar Manufacturing Co Berhad, which Permanis has established long-term relationships with these suppliers for approximately 10 to 30 years.

6.7 Market Share and Reputation

At present, there are five (5) main players dominating the soft drinks segment of the beverage industry namely, Fraser & Neave Holdings Berhad, Permanis, Yeo Hiap Seng (Malaysia) Bhd, East Coast Bottling Co and Malaysia Milk Sdn Bhd. The industry is intensely competitive as several products can have the same flavour, such as cola (Pepsi Cola and Coca-Cola) and lemon-lime (Seven-Up and Sprite). Nevertheless, the "Pepsi" brand is well established since 1898 internationally and has a track record of more than 105 years in the beverage industry.

6.8 Key Certification and Corporate Awards Obtained by the CIH Group

The table below sets out the list of accreditation and awards obtained by the CIH Group up to 20 April 2004:

Year	Awarded by	Accreditation/Awards
Permanis		
2003	Asia Bottled Water Association	Certificate of Honorable in Manufacturing
2001	PepsiCo Beverages International ("PBI")	Center of Excellence Manufacturing & Warehousing 2000 Stage 0 and 1A
2001	PBI	Center of Excellence Manufacturing & Warehousing 2000
2000	PBI	Internal Quality Audit (Bronze)
1999	PBI	Internal Quality Audit (Silver)
1998	PBI	Internal Quality Audit (Bronze)
1992	PBI	Internal Quality Audit (Silver)
1991	PBI	Internal Quality Audit
C.I. Quarries Sdn Bhd		
1994	SIRIM QAS Sdn Bhd	Malaysian Standard ISO 9002:1994 (Model for Quality)

Year	Awarded by	Accreditation/Awards
DISB		
2003	SIRIM QAS International Sdn Bhd	ISO 9001:2000
2002	IKRAM QA Services Sdn Bhd	British Standard 5412:1996 (for its ML Series Taps products)
1990	SIRIM QAS International Sdn Bhd	British Standard 5412:1996 (for its Pillar Tap and Bib Tap products)

6.9 Management and Employees

As at 20 April 2004, the Group has a total workforce of 625 employees, all employed on contract or permanent basis. The breakdown of the total number of employees and average number of years of service are as follows:

Category	Total number of employees	Average number of years of service
Managerial/Professional	70	4
Technical/Supervisory	174	7
Clerical & related occupation	298	7
General workers - local	63	15
- foreigner	18	2
Expatriates	2	5
Total	625	

6.10 Government Policies

With regard to the regulatory environment, Permanis is subject to certain compliance requirements in respect of hygiene and licenses, as governed by the Food Act, 1983. In this respect, Permanis has to conform to health standards in processing, preparation and handling of food products such as the Hazard Analysis and Critical Control Points, Good Hygiene Practice and Sanitation and Operating Procedures. Permanis is in the midst of applying for ISO 9001.

In an effort to promote the food and beverage industry in the country, the Government of Malaysia introduced various incentives for companies engaged in the food and beverage production. These incentives mainly take the form of tax deductions and investment allowances, as stipulated in the Promotions on Investment Act, 1986 and Income Tax, Act 1967. In this respect, Permanis was granted Reinvestment Allowance pursuant to Schedule 7A of the Income Tax Act, 1967 since 1991.

6.11 Future Plans and Prospects of the CIH Group

Following the completion of the Acquisitions, Permanis is now a wholly-owned subsidiary of CIH and the new principal activities of the Group are mainly in selling, bottling and distribution of beverages. The Directors of CIH are of the view that the future prospects of the Group are favourable. In addition to the anticipated growth in the Malaysian population and decrease in unemployment rate coupled with the fact that Malaysia is a fast moving economy where the adult working population lead a hectic lifestyle with the capacity and purchasing power to spend more on food and beverage products in western-style supermarkets, ubiquitous convenience stores and western-style fast food restaurants, as they generally have little time to prepare elaborate meals at home, the Directors of CIH are of the view that the following factors place the Group's future in good stead:

(i) Introduction of New Products

During the current financial year, Permanis expanded its existing product line with the launch of the sports/energy drink under the trademark “Gatorade” and new Pepsi related products such as “Pepsi Twist”, “Mirinda Apple”, “Mirinda Mango Tangerine” and “Pepsi Blue” in Malaysia and the re-launching of its in-house Asian drinks in the likes of soya bean, chrysanthemum tea and cincau under the “Chill”.

It is expected that Permanis will continue to introduce new products in the future with the support of PepsiCo, Inc. and its internal research and development department.

(ii) Distribution Channels

Permanis has a wide beverage distribution network in Peninsular Malaysia, which ranks second after Fraser & Neave Holdings Berhad. Approximately 97% of Permanis’s products are sold in the domestic market of Peninsular Malaysia and Sabah and the balance exported to Indonesia, Brunei, Singapore and South Africa. In Peninsular Malaysia, Permanis’s products are distributed to quick service restaurants, coffee shops and provision shops, hypermarkets, supermarkets, retail outlets and convenience stores which are mainly situated in densely populated areas. The sales are detailed in Section 6.4 of this Abridged Prospectus. In addition, Permanis has renewable long term contracts with quick service restaurants.

(iii) Competitive Advantage

The Board of Directors of CIH deems the following as the competitive advantages of Permanis:

(a) Brand strength

The “Pepsi” brand is well established internationally as well as known locally. A well established brand essentially serves as the crux of the licensing and/or franchising business. Permanis continues to enjoy the benefit of PepsiCo, Inc.’s huge advertising campaigns on a global and regional basis to maintain the stature of the “Pepsi” brand.

(b) Production capabilities

The plant in Bangi, Selangor Darul Ehsan was voted by PepsiCo, Inc. as the most efficiently operated Pepsi-affiliated plant in the world for years 2000 and 2001. The management of Permanis is in the midst of undertaking plans to increase the operating efficiency of the plants via further automation of production processes, extending production hours and increasing efficiency of labour processes by training and retaining skilled workers which provides the benefits of economies of scale.

(c) Support from Licensors

PepsiCo, Inc. and other brand owners, at their sole discretion, provide Permanis with various forms of marketing support. This marketing support is intended to cover a variety of programs and initiatives, including direct marketplace support, capital equipment funding and shared media and advertising support. Direct marketplace support is primarily funded by PepsiCo, Inc. and other brand owners of sales discounts and similar programs. Capital equipment funding is designed to support the purchase and placement of marketing equipment expenses.

Permanis co-ordinates its marketing programs with the Licensors. International advertising campaigns are developed by the Licensors, while local advertising campaigns are jointly developed by the Licensors and Permanis. Permanis shares approximately 50% of the cost of point-of-purchase promotional devices, excluding design costs.

The goal of these activities is to position Permanis's brands to compete effectively in the marketplace and to obtain "feature" retail advertisements and displays in high volume retail outlets. End-aisle and secondary displays are generally limited to special promotions and advertisements designed to stimulate sales and encourage impulse purchases. As a service to customers and to better merchandise its products, Permanis builds displays in conjunction with promotional programs and for restocking products in grocery stores, mass merchandise outlets and convenience stores.

Permanis's competitive advantages are also partly attributed to the research and development ("R&D") programmes under PepsiCo, Inc. which enables the development of new products, responding to consumers changing needs, tastes and preferences. R&D for Pepsi Cola is centralised overseas by PepsiCo, Inc.. The R&D for Pepsi for the Asian region is generally centred in Japan and China. In the local context, the development of new local beverages is undertaken at the Permanis factory in Bangi, Selangor Darul Ehsan. Permanis's R&D activities have resulted in the formulation of in-house brands such as "Excel" isotonic beverage, "Chill" soya bean, "Chill" chrysanthemum tea and "Frost" root beer.

On average, Permanis spends approximately less than 1% of annual turnover on R&D activities as most of the cost of R&D activities is borne by PepsiCo, Inc.. The R&D activities carried out by Permanis are focussed on developing Permanis's house brands. As at 20 April 2004, Permanis has dedicated two (2) R&D staff on its R&D activities.

In addition, PepsiCo, Inc. also supervises Permanis's overall quality control procedures, wherein standard procedures are formulated in order that the quality standards as required by PepsiCo, Inc. are adhered to. Representatives from PepsiCo, Inc. regularly conduct auditing procedures on a monthly basis for quality control purposes.

Moreover, Permanis is also able to enjoy the training programmes formulated by PepsiCo, Inc. for all levels of staff of Permanis, wherein PepsiCo, Inc.'s 'Global Best Practice Tools' are deployed for this purpose.

Among the training programmes initiated by PepsiCo Beverages International ("PBI") (the Business Unit of PepsiCo, Inc.) include training given to Permanis trainers who then conduct in-house training for Permanis staff, such as Territory University, Basic Selling Skills, Integrated Training Systems (ITS), Territory Development Manager Analytics and Salesman Buddy (Palm). The above training programmes are continued by Permanis's trainers on a regular basis or as and when needed.

In addition to the above, PBI has, in recent years conducted training programmes for Permanis's staff, such as Winning Every Customer (WEC) Coaching, Fountain Selling Skills, Winning Every Customer Key Account (WECKA), Marketing Equipment Maintenance Excellence, Product Freshness Tool and M&W (Manufacturing & Warehousing).

The Board of Directors of CIH believes that with Permanis's competitive advantages, it will be easier to maintain and seek higher level of success for the CIH Group.

7. EFFECTS OF THE CORPORATE EXERCISES

The effects of the Corporate Exercises are as set out below:

7.1 Share Capital

Upon completion of the Corporate Exercises, the issued and paid-up share capital of the Company will increase as follows:

	No. of CIH Shares
Existing issued and paid-up share capital as at 20 April 2004	57,377,835
To be issued pursuant to the Rights Issue	57,377,835
To be issued pursuant to the Debt Settlement	14,851,485
	<hr/> 129,607,155
To be issued upon full exercise of the Warrants	57,377,835
Enlarged issued and paid-up share capital	<hr/> 186,984,990

7.2 NTA and Gearing

Based on the audited consolidated balance sheets of CIH as at 30 June 2003, the proforma effects of the Corporate Exercises on the consolidated NTA per share of CIH, assuming that the Corporate Exercises had been effected on 30 June 2003, are set out below:

	A RM 000	B RM 000	C RM 000	D RM 000	E RM 000	F RM 000	G RM 000
Share capital	57,378	57,378	57,378	57,378	114,756	129,607	186,985
Share premium	1,007	1,007	1,007	1,007	1,007	1,156	5,746
Reserve on consolidation	55,458	55,458	55,458	-	-	-	-
Special reserves	10,622	10,622	10,622	-	-	-	-
Accumulated losses	(47,797)	(83,121)	(83,121)	(88,354)	(88,354)	(88,354)	(88,354)
Shareholders' funds	76,668	41,344	41,344	(29,969)	27,409	42,409	104,377
Goodwill on consolidation	(20,464)	(20,464)	(46,397)	-	-	-	-
Intellectual property	-	-	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
NTA/(NL)	56,204	20,880	(11,053)	(35,969)	21,409	36,409	98,377
No. of CIH Shares in issue (000)	57,378	57,378	57,378	57,378	114,756	129,607	186,985
NTA/(NL) per share (RM)	0.98	0.36	(0.19)	(0.63)	0.19	0.28	0.53
Total borrowings (interest bearing) (RM 000)	238,989	40,989	131,973	167,253	123,253	108,253	108,253
Gearing ratio (times)	3.12	0.99	3.19	N/A	4.50	2.55	1.04

Notes:

A Audited consolidated balance sheets of CIH as at 30 June 2003.

B After the CIE Disposal and after taking into account estimated expenses of the Corporate Exercises of RM3.3 million.

C After B and the 51% Permanis Acquisition (financed via the Short Term Facility to facilitate earlier completion of the Acquisitions pending completion of the Rights Issue).

Notes (Cont'd):

- D After C, the Pep Bottlers Acquisition (financed via the Short Term Facility to facilitate earlier completion of the Acquisitions pending completion of the Rights Issue) and the writing off of the aggregate goodwill on consolidation of RM71.313 million.*
- E After D and the Rights Issue (proceeds raised from the Rights Issue will be used for the repayment of the Short Term Facility).*
- F After E and the Debt Settlement.*
- G After F and the full exercise of the Warrants.*
- N/A Not applicable.*

The proforma consolidated balance sheets of CIH as at 30 June 2003 together with the notes and Reporting Accountants' letter thereon are set out in Appendix X of this Abridged Prospectus.

7.3 Earnings

The CIE Disposal and Acquisitions were completed on 1 April 2004, whilst the Rights Issue and Debt Settlement are expected to be completed by the end of the second quarter of 2004. Arising from the CIE Disposal, the Group has recorded an impairment loss from the write down of the investment in associate company amounting to RM160.083 million for the financial year ended 30 June 2003. For the financial year ending 30 June 2004, CIH is expected to record a finance cost savings of approximately RM4.75 million arising from the CIE Disposal. The Rights Issue, Acquisitions and Debt Settlement are expected to contribute positively to the earnings of the CIH Group for the future financial years.

7.4 Dividend

Based on CIH's Annual Report of 2003, the Board of Directors of CIH had not recommended any dividend for the financial year ended 30 June 2003. The decision to declare and pay dividends for the financial year ending 30 June 2004 and in the future would depend on the performance, cashflow position and financing requirements of the CIH Group.

8. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

8.1 Working Capital

The Directors of CIH are of the opinion that, after taking into account the banking facilities available, the funds generated from the operations of CIH and its subsidiaries and the proceeds to be raised from the Rights Issue, CIH and its subsidiaries will have adequate working capital for its present and foreseeable future requirements for the next twelve (12) months from the date of issue of this Abridged Prospectus.

8.2 Borrowings

As at 5 May 2004 (being a date not earlier than fourteen (14) days before the issue of this Abridged Prospectus), the CIH Group has total borrowings amounting to approximately RM164.808 million, as follows:

	As at 5 May 2004	After the Corporate Exercises
	RM 000	RM 000
Long term loan		
- Interest bearing	3,637	3,637
- Non-interest bearing	-	-
	<u>3,637</u>	<u>3,637</u>
Short term loan		
- Interest bearing	147,021	86,714
- Non-interest bearing	14,150	14,150
Total loan	<u>164,808</u>	<u>104,501</u>

During the past one (1) financial year from the date of this Abridged Prospectus, the CIH Group had defaulted on the interest payment on the RM198 million term loan facility granted by Alliance Bank to CIE, a wholly-owned subsidiary of CIH then. On 2 December 2003, CIH had undertaken a term loan amounting to RM209.007 million (comprising RM159.007 million from Bumiputra-Commerce Bank Berhad and RM50 million from CIMB) ("TL by BCBB and CIMB") to settle the outstanding loan and interest accrued thereon with Alliance Bank, on behalf of CIE.

On 1 April 2004, with the completion of the CIE Disposal, QSR had assumed an amount of RM198 million due by CIE to CIH. Simultaneously, on 1 April 2004, QSR had settled the RM198 million debt owing to CIH and settled on behalf of CIE, the RM9.7 million debt owing to Mawar Seroja Sdn Bhd, a wholly-owned subsidiary of CIH and RM83 million debt owing to Punca Ibarat Sdn Bhd. On 1 April 2004, CIH had utilised the RM207.7 million to repay part of the TL by BCBB and CIMB. The remaining RM1.307 million of the TL by BCBB and CIMB will be settled through the proceeds from the Rights Issue.

Pursuant to the completion of the Rights Issue, the gross proceeds raised will be utilised to repay the RM44 million Short Term Facility. The Debt Settlement which will be implemented simultaneous with the completion of the Rights Issue will further reduce the short term interest bearing loan by RM15 million. Upon completion of the Corporate Exercises, the proforma net total borrowings of the CIH Group will be reduced by RM60.307 million from RM164.808 million to RM104.501 million.

8.3 Contingent Liabilities

Save as disclosed below, as at 5 May 2004 (being a date not earlier than fourteen (14) days before the issue of this Abridged Prospectus), the Directors of CIH are not aware of any contingent liabilities which, upon becoming enforceable, may have a material impact on the profit or net assets value of the CIH Group:

	Company
	RM 000
Unsecured	
Guarantees given to financial institutions in respect of credit facilities granted to subsidiaries	<u>164,808</u>

8.4 Material Commitments

Save as disclosed below, as at 5 May 2004 (being a date not earlier than fourteen (14) days before the issue of this Abridged Prospectus), the Directors of CIH are not aware of any material commitments for capital expenditure which, upon becoming enforceable, may have a material impact on the profit or net assets value of the CIH Group:

	Note	RM 000
Approved and contracted for	1	2,738
Approved and not contracted for	1	2,444
		<u>5,182</u>

Note:

1 For Permanis's new warehouse.

9. SHAREHOLDERS' UNDERTAKING AND UNDERWRITING ARRANGEMENT

The following shareholders of CIH have given their irrevocable and unconditional undertakings to subscribe or procure the subscription in full for their entitlements to the Rights Shares and Warrants to be issued pursuant to the Rights Issue, details of which are as follows:

Name	<-*As at 12 November 2003->		<-----Rights entitlement----->		
	No. of CIH Shares held	Percentage of share capital %	No. of Rights Shares	No. of Warrants	Percentage of total no. of Rights Shares/ Warrants %
Du Ain Sdn Bhd	1,652,000	2.88	1,652,000	1,652,000	2.88
Duclos Sdn Bhd	2,680,000	4.67	2,680,000	2,680,000	4.67
Syed Ibrahim Sdn Bhd	2,270,000	3.96	2,270,000	2,270,000	3.96
Sisma Vest Sdn Bhd**	1,008,000	1.76	1,008,000	1,008,000	1.76
Sisma Water Technology Sdn Bhd	2,716,000	4.73	2,716,000	2,716,000	4.73
			<u>10,326,000</u>	<u>10,326,000</u>	<u>18.00</u>

Notes:

* The shareholders' shareholdings are based on the undertaking letters given. As at 20 April 2004, the shareholders' shareholdings remained unchanged.

** Including its pledged securities account under EB Nominees (Tempatan) Sdn Bhd.

The remaining 47,051,835 Rights Shares and 47,051,835 free Warrants representing 82% of the total number of Rights Shares and Warrants respectively, have been fully underwritten by the Underwriters, namely CIMB and MIDF Sisma Securities, pursuant to an Underwriting Agreement dated 30 March 2004, at an underwriting commission of 2.25% on the value of the underwritten Rights Shares. In addition, CIMB being the Managing Underwriter is entitled to a managing underwriting commission of 0.25% on the total value of the underwritten Rights Shares. The managing underwriting commission and underwriting commission for the Rights Shares, and all other associated costs in relation to the Underwriting Agreement will be fully borne by the Company.

10. PROCEDURE FOR APPLICATION AND ACCEPTANCE

As you are an Entitled Shareholder as at the Entitlement Date, your CDS account will be duly credited with a PAL constituting the number of provisionally allotted Rights Shares with attached Warrants which you are entitled to subscribe for under the terms and conditions of the Rights Issue. You will find enclosed together with this Abridged Prospectus, a NPA notifying you of the crediting of such provisionally allotted Rights Shares with attached Warrants into your CDS account and a RSF to enable you to subscribe for such provisionally allotted Rights Shares with attached Warrants. The RSF is also available on Bursa Malaysia website (www.bursamalaysia.com).

10.1 PAL

The PAL is a prescribed security pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, all dealings in the PAL will be by book entries through CDS accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of MCD. Entitled Shareholders and/or their renounees (if applicable) are required to have valid and subsisting CDS accounts when making their applications.

10.2 Procedures for Application and Acceptance

Acceptance of and payment for the Rights Shares with attached Warrants provisionally allotted to the Entitled Shareholders must be made on the RSF issued together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein. Applications which do not strictly conform to the terms and conditions of this Abridged Prospectus or RSF or the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of the Directors of the Company.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES WITH ATTACHED WARRANTS PROVISIONALLY ALLOTTED TO THE ENTITLED SHAREHOLDERS AND THE PROCEDURES TO BE FOLLOWED SHOULD THE ENTITLED SHAREHOLDERS WISH TO SELL/TRANSFER ALL OR ANY PART OF THEIR ENTITLEMENTS ARE SET OUT IN THE RSF. ENTITLED SHAREHOLDERS ARE ADVISED TO READ THE RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

Entitled Shareholders who wish to accept all or part of their entitlements are required to fill and complete Parts I and III of the RSF. Each completed RSF with the relevant payment must be sent to the Share Registrar at the following address:

Signet Share Registration Services Sdn Bhd
Level 26, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur

so as to arrive not later than 5.00 p.m. on Friday, 11 June 2004 (or such later time and day as the Directors of the Company may decide and announce not less than two (2) Market Days before the stipulated time and day), being the last time and day for acceptance and payment.

Entitled Shareholders who lose, misplace or for any other reasons require another copy of the RSF, may obtain additional copies from their stockbrokers, Bursa Malaysia website (www.bursamalaysia.com), the Share Registrar or the Registered Office of the Company.

One (1) RSF can only be used for acceptance of the provisionally allotted Rights Shares with attached Warrants standing to the credit of one (1) CDS account. The Rights Shares with attached Warrants subscribed by the Entitled Shareholders will be credited into the CDS accounts where the Rights Shares with attached Warrants provisionally allotted to you are standing to the credit.

The minimum number of Rights Shares that can be accepted is one (1) Rights Share. However, Entitled Shareholders should take note that a trading board lot of CIH Shares comprises one-hundred (100) CIH Shares. Successful applicants of the Rights Issue will be given free Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed. A trading board lot of Warrants will also comprises one-hundred (100) Warrants.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RINGGIT MALAYSIA FOR THE FULL AMOUNT IN THE FORM OF BANKER'S DRAFT(S) OR CASHIER'S ORDER(S) OR MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA AND MUST BE MADE OUT IN FAVOUR OF "CIH RIGHTS ISSUE ACCOUNT" CROSSED "ACCOUNT PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH THE CDS ACCOUNT NUMBER, NAME AND ADDRESS OF THE ENTITLED SHAREHOLDER IN BLOCK LETTERS. THE REMITTANCE MUST BE MADE FOR THE EXACT AMOUNT. ANY OTHER MODE OF PAYMENT OTHER THAN THOSE STATED ABOVE WILL NOT BE ACCEPTED.

NO ACKNOWLEDGEMENT OF THE RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY THE COMPANY OR THE SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE. HOWEVER, NOTICES OF ALLOTMENT WILL BE DESPATCHED TO SUCCESSFUL ENTITLED SHAREHOLDERS BY ORDINARY POST WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DAY OF ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES WITH ATTACHED WARRANTS.

ENTITLED SHAREHOLDERS SHOULD NOTE THAT ALL THE RSF AND REMITTANCES SO LODGED WITH THE SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. THE DIRECTORS OF THE COMPANY RESERVE THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY ACCEPTED RIGHTS SHARES WITH ATTACHED WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES WILL BE REFUNDED WITHOUT INTEREST WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DAY OF ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES WITH ATTACHED WARRANTS BY ORDINARY POST TO THE ADDRESS AS SHOWN ON THE RSF AT THE ENTITLED SHAREHOLDERS' OWN RISK.

THE LAST TIME AND DAY FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES WITH ATTACHED WARRANTS IS 5.00 P.M. ON FRIDAY, 11 JUNE 2004 (OR SUCH LATER TIME AND DAY AS THE DIRECTORS OF THE COMPANY MAY DECIDE AND ANNOUNCE NOT LESS THAN TWO (2) MARKET DAYS BEFORE THE STIPULATED TIME AND DAY).

If acceptance of and payment for the Rights Shares with attached Warrants provisionally allotted to any Entitled Shareholder is not received by the Share Registrar by 5.00 p.m. on Friday, 11 June 2004, being the last time and day for acceptance and payment (or such later time and day as the Directors of the Company may decide and announce not less than two (2) Market Days before the stipulated time and day), the provisional entitlement of the Entitled Shareholder will be deemed to have been declined and will be cancelled and such Rights Shares with attached Warrants not taken up will be allotted first to Entitled Shareholders applying for excess Rights Shares with attached Warrants and subsequently to the Underwriters, if the Rights Shares with attached Warrants are not fully taken up by such Entitled Shareholders.

10.3 Procedures for Part Acceptance

Entitled Shareholders are entitled to accept part of their entitlement to the Rights Shares with attached Warrants. Subject to the minimum of one (1) Rights Share that can be subscribed/applied for, there will be no minimum number of Rights Shares that can be accepted or minimum number of excess Rights Shares which can be applied for.

Entitled Shareholders have to complete Part I of the RSF by specifying the number of Rights Shares with attached Warrants which the Entitled Shareholder is accepting and Part III of the RSF and deliver the completed RSF together with the relevant payment to the Share Registrar in the same manner as set out in Section 10.2 above.

THE ENTITLED SHAREHOLDERS ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

The portion of the provisional allotment of the Rights Shares with attached Warrants that has not been accepted will be allotted to any other persons allowed under any law, regulations or rules to accept the transfer of the provisional allotment of the Rights Shares with attached Warrants and the balance, if any, will first be allotted to Entitled Shareholders applying for the excess Rights Shares with attached Warrants and subsequently thereafter to the Underwriters.

10.4 Procedures for Sale/Transfer of Provisional Allotment of Rights Shares with Attached Warrants

The provisionally allotted Rights Shares with attached Warrants are renounceable and as such, Entitled Shareholders may sell/transfer all or part of their entitlements to the Rights Shares with attached Warrants.

Entitled Shareholders who wish to sell/transfer all or part of their entitlements to the Rights Shares with attached Warrants may do so immediately through their stockbrokers for the period up to the last trading day for sale/transfer of the provisionally allotted Rights Shares with attached Warrants (in accordance with the Rules of MCD) without first having to request the Company for a split of the PAL standing to the credit of their CDS accounts. To sell/transfer all or part of their entitlements of the Rights Shares with attached Warrants, they may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of MCD.

THE ENTITLED SHAREHOLDERS ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

IN SELLING/TRANSFERRING ALL OR PART OF THEIR ENTITLEMENTS TO THE RIGHTS SHARES WITH ATTACHED WARRANTS, ENTITLED SHAREHOLDERS NEED NOT DELIVER ANY DOCUMENT TO THEIR STOCKBROKERS. THE ENTITLED SHAREHOLDERS ARE HOWEVER ADVISED TO ENSURE THAT THEY HAVE SUFFICIENT PROVISIONAL ALLOTMENT OF RIGHTS SHARES WITH ATTACHED WARRANTS STANDING IN THEIR CDS ACCOUNTS BEFORE TRADING.

ENTITLED SHAREHOLDERS WHO SELL THEIR RIGHTS SHARES WILL AUTOMATICALLY BE SELLING THEIR ENTITLEMENTS TO THE WARRANTS AS WELL. THEY CANNOT RETAIN THE WARRANTS WHILE SELLING THE RIGHTS SHARES, AND VICE VERSA. IF THE ENTITLED SHAREHOLDERS HAVE SOLD/TRANSFERRED ONLY PART OF THE PROVISIONALLY ALLOTTED RIGHTS SHARES WITH ATTACHED WARRANTS, THEY MAY STILL ACCEPT THE BALANCE OF THEIR ENTITLEMENTS BY COMPLETING PARTS I AND III OF THE RSF.

10.5 Procedures for Acceptance by Renounees

Renounees who wish to accept the provisionally allotted Rights Shares with attached Warrants must obtain a copy of the RSF from their stockbrokers, Bursa Malaysia website (www.bursamalaysia.com), the Share Registrar or the Registered Office of the Company, complete the RSF and submit the same together with the remittance in accordance with the notes and instructions printed therein. The procedure and payment for the acceptance of the provisional allotment of Rights Shares with attached Warrants by the renounee is the same as that which is applicable to the Entitled Shareholders as described in Section 10.2 above. Please refer to Section 10.2 of this Abridged Prospectus for the procedure for acceptance and payment.

RENOONEES ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

10.6 Procedures for Excess Rights Shares with Attached Warrants Application

Entitled Shareholders and/or their renounees (if applicable) who accept the provisionally allotted Rights Shares with attached Warrants may apply for excess Rights Shares with attached Warrants by completing Part II of the RSF (in addition to Parts I and III of the RSF) and forwarding it together with a separate remittance for the full amount payable in respect of the excess Rights Shares with attached Warrants applied for, to the Share Registrar such that they are received by the Share Registrar not later than the last time and day for acceptance and payment, as set out below.

Payment for the excess Rights Shares with attached Warrants applied for should be made in the same manner as described in Section 10.2 above, with remittance in the form of Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and crossed "**ACCOUNT PAYEE ONLY**" and made payable to "**CIH EXCESS RIGHTS SHARES ACCOUNT**" and endorsed on the reverse side with the CDS account number, name and address of the Entitled Shareholder and/or the renounee (if applicable) in block letters to be received by the Share Registrar not later than 5.00 p.m. Friday, 11 June 2004, being the last time and day of the application and payment for the excess Rights Shares with attached Warrants (or such later time and day as the Directors of the Company may decide and announce not less than two (2) Market Days before the stipulated time and day).

The Directors of the Company reserve the right to allot any excess Rights Shares with attached Warrants applied for under the RSF in such manner as they deem fit and expedient in the interest of the Company. It is the intention of the Directors of the Company to allot excess Rights Shares with attached Warrants in such manner that the incidence of odd lots will be minimised. Nevertheless, the Directors of the Company shall allocate all excess Rights Shares with attached Warrants on a fair and equitable basis. The basis of allocation for excess Rights Shares with attached Warrants will only be determined after the last day of application and payment for excess Rights Shares with attached Warrants.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR EXCESS RIGHTS SHARES WITH ATTACHED WARRANTS APPLICATIONS BUT A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO SUCCESSFUL ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNNEES (IF APPLICABLE) BY ORDINARY POST TO THE ADDRESS STATED ON THE RSF WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DAY OF APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES WITH ATTACHED WARRANTS.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY ACCEPTED EXCESS RIGHTS SHARES WITH ATTACHED WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES WILL BE REFUNDED WITHOUT INTEREST WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DAY OF APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES WITH ATTACHED WARRANTS BY ORDINARY POST TO THE ADDRESS AS SHOWN ON THE RSF AT THE ENTITLED SHAREHOLDERS' AND/OR THEIR RENOUNNEES' (IF APPLICABLE) OWN RISK.

10.7 Form of Issuance

Bursa Malaysia has already prescribed the CIH Shares listed on the Main Board of Bursa Malaysia to be deposited with MCD. Accordingly, the Rights Shares and Warrants are prescribed securities and as such, the Securities Industry (Central Depositories) Act, 1991, Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of MCD shall apply in respect of the dealings in the said Rights Shares and Warrants.

Failure to comply with these specific instructions or inaccuracy in the CDS account number may result in the application being rejected.

No physical share and Warrant certificates will be issued to the Entitled Shareholders and/or their renounees (if applicable) under the Rights Issue. The Rights Shares and Warrants will be credited directly into the CDS account of the Entitled Shareholders and/or their renounees (if applicable) and a notice of allotment will be despatched to the successful Entitled Shareholders and/or their renounees (if applicable) at the address shown on the RSF within fifteen (15) Market Days from the last day of acceptance and payment for the Rights Shares with attached Warrants.

Subscription of Rights Shares with Attached Warrants by Entitled Shareholders

Where the RSF is issued to Entitled Shareholders in respect of the relevant Rights Shares with attached Warrants deposited with MCD which are standing to the credit of their CDS accounts, the acceptance of the Rights Shares with attached Warrants by the Entitled Shareholders shall mean that the Entitled Shareholders consent to receiving such Rights Shares with attached Warrants as prescribed securities credited directly into their CDS accounts. Hence, the Rights Shares with attached Warrants will be credited directly into the Entitled Shareholders' CDS accounts.

Acceptance of Rights Shares with Attached Warrants by a Renounee

Any person who intends to purchase the Rights Shares with attached Warrants as a renounee by purchasing the entitlements to the Rights Shares with attached Warrants from an Entitled Shareholder must state his/her CDS account number in the space provided in the RSF whereupon the Rights Shares with attached Warrants will be credited directly as prescribed securities into his/her CDS account.

Application for Excess Rights Shares with Attached Warrants

Where the RSF is issued to an Entitled Shareholder in respect of the relevant Rights Shares with attached Warrants deposited with MCD which are standing to the credit of his/her CDS account, the excess Rights Shares with attached Warrants, if allocated to the Entitled Shareholder and/or the renounee (if applicable) who applied for excess Rights Shares with attached Warrants, will be credited directly as deposited securities into his/her CDS account.

10.8 Laws of Foreign Jurisdictions

This Abridged Prospectus, the NPA and RSF have not been (and will not be) made to comply with the laws of any foreign jurisdictions, and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation of (or with or by any regulatory authorities or other relevant bodies of) any foreign jurisdictions, and the Rights Issue will not be made or offered in any foreign jurisdiction.

The Entitled Shareholders and/or their respective renounees (if applicable) may only accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue to the extent that it would be lawful to do so, and CIH and its Directors and officers, CIMB and/or other experts would not, in connection with the Rights Issue, be in breach of the laws of any jurisdictions to which that Entitled Shareholders and/or their renounees (if applicable) are or might be subject to. The Entitled Shareholders and/or their renounees (if applicable), shall be solely responsible to seek advice as to the laws of the jurisdictions to which they are or might be subject to. CIH and its Directors and officers, CIMB and/or other experts shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any Entitled Shareholder and/or the renounee (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdictions.

Accordingly, the documents relating to the Rights Issue will not be sent to the Foreign Holders. Such Foreign Holders who wish to change their addresses should inform their respective stockbrokers to effect the change of address. Such notification should be done prior to the Entitlement Date.

Alternatively, such Foreign Holders may collect the offer documents from the Share Registrar, in which event, the Share Registrar shall be entitled to request for such evidence as they deem necessary to satisfy themselves as to the identity and authority of the person collecting the offer documents.

By signing the RSF accompanying this Abridged Prospectus, the Entitled Shareholder and/or the renounee (if applicable) is deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) CIH and its Directors and officers, CIMB and/or other experts that:

- (i) the Company would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which that Entitled Shareholder and/or the renounee (if applicable) is or might be subject to;
- (ii) the Entitled Shareholder and/or the renounee (if applicable) has complied with the laws to which the Entitled Shareholder and/or the renounee (if applicable) is or might be subject to in connection with the acceptance or renunciation;
- (iii) the Entitled Shareholder and/or the renounee (if applicable) is not a nominee or agent of a person in respect of whom the Company would, by acting on the acceptance or renunciation be in breach of the laws of any jurisdiction to which that person is or might be subject to;
- (iv) the Entitled Shareholder and/or the renounee (if applicable) is aware that the Rights Shares with attached Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the Entitled Shareholder and/or the renounee (if applicable) has received a copy of this Abridged Prospectus and has had access to such financial and other information as the Entitled Shareholder and/or the renounee (if applicable) deems necessary in connection with his/her decision to subscribe or purchase the Rights Shares with attached Warrants; and
- (vi) the Entitled Shareholder and/or the renounee (if applicable) has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with attached Warrants, and is and will be able, and is prepared to bear the economic and financial risks of investing in and holding the Rights Shares and Warrants.

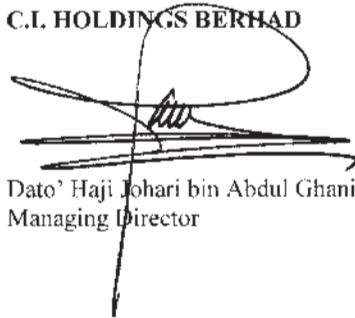
11. TERMS AND CONDITIONS

The issuance of the Rights Shares and Warrants pursuant to the Rights Issue is governed by the terms and conditions set out in this Abridged Prospectus and in the RSF enclosed herewith.

12. ADDITIONAL INFORMATION

Shareholders are requested to refer to the attached appendices for further information.

Yours faithfully
for and on behalf of the Board of Directors
C.I. HOLDINGS BERHAD



Dato' Haji Johari bin Abdul Ghani
Managing Director

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