

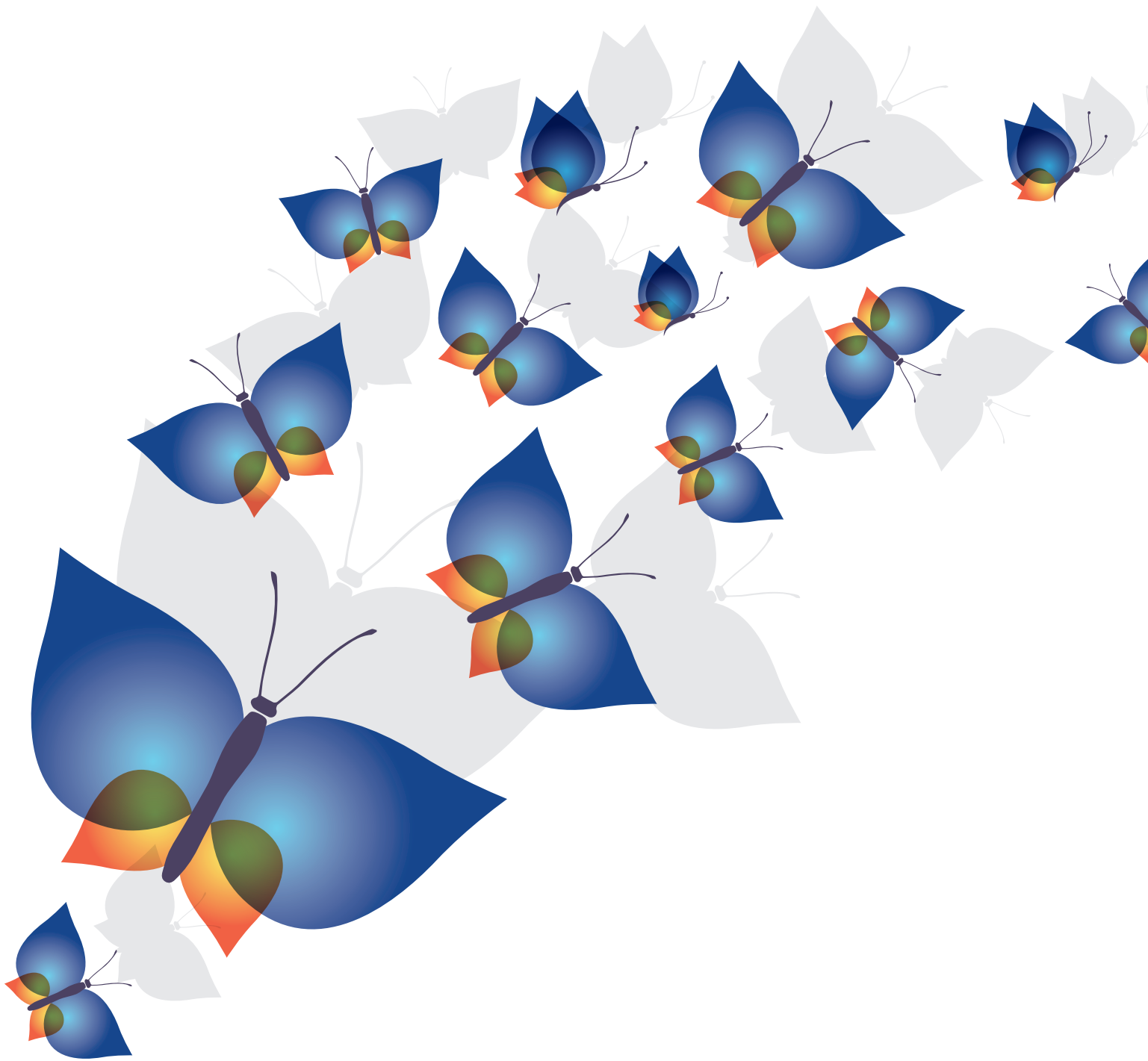


C.I. HOLDINGS BERHAD
197801000889 (37918-A)



Ever Evolving, Steady Growth.

LAPORAN TAHUNAN | 2022
ANNUAL REPORT



Cover Rationale

This year's cover features the butterfly, which represents change and positivity. In a business world that never stays constant, it is key to move with the times. By adapting to evolving consumer needs and deploying strategies for continued growth, the Group is able to produce higher revenues and improved profits this year, and emerge stronger than ever before.



CONTENTS

Corporate

02	Corporate Information
03	Profile of Directors
09	Group Management Team's Profile
12	Management Discussion and Analysis
16	Sustainability Statement
22	Corporate Governance Overview Statement
30	Audit Committee Report
33	Statement on Risk Management and Internal Control
36	Directors' Responsibility Statement

Financial

37	Directors' Report and Audited Financial Statements
99	List of Properties
101	Analysis of Shareholdings
104	Additional Compliance Information
105	Notice of Forty-Fourth Annual General Meeting
110	Administrative Guide
	Form of Proxy

CORPORATE INFOMATION

Board Of Directors

Datuk Seri Johari Bin Abdul Ghani
Non-Independent Non-Executive Chairman

Megat Joha Bin Megat Abdul Rahman
Group Managing Director

Datin Mariam Prudence Binti Yusof
Non-Independent Non-Executive Director

Dato' Sukumaran s/o Ramasamy
Non-Independent Non-Executive Director

Lee Cheang Mei
Non-Independent Non-Executive Director

Nor Hishammuddin Bin Dato' Mohd Nordin
Senior Independent Non-Executive Director

Teh Bee Tein
Independent Non-Executive Director

Kasinathan a/l Tulasi
Independent Non-Executive Director

Datuk Haji Ariffin Bin Imat
Independent Non-Executive Director

Fung Heen Choon
Alternate Director to Lee Cheang Mei

Audit Committee

Teh Bee Tein
Chairman, Independent Non-Executive Director

Nor Hishammuddin Bin Dato' Mohd Nordin
Senior Independent Non-Executive Director

Kasinathan a/l Tulasi
Independent Non-Executive Director

Remuneration Committee

Nor Hishammuddin Bin Dato' Mohd Nordin
Chairman, Senior Independent Non-Executive Director

Teh Bee Tein
Independent Non-Executive Director

Datuk Haji Ariffin Bin Imat
Independent Non-Executive Director

Nomination Committee

Nor Hishammuddin Bin Dato' Mohd Nordin
Chairman, Senior Independent Non-Executive Director

Teh Bee Tein
Independent Non-Executive Director

Datuk Haji Ariffin Bin Imat
Independent Non-Executive Director

Risk Management Committee

Teh Bee Tein Chairman

Megat Joha Bin Megat Abdul Rahman Member

Nor Hishammuddin Bin Dato' Mohd Nordin Member

Azlan Bin Ahmad Member

Chaw Pei Yee Member

Foo Loke Year Member

Teoh Kar Hoe Member

Khor Chi Yen Risk Coordinator

Group Management Team

Megat Joha Bin Megat Abdul Rahman
Group Managing Director

Fung Heen Choon
Executive Director – Continental Resources Sdn Bhd

Lee Cheang Mei
Executive Director – Continental Resources Sdn Bhd

Dato' Sukumaran s/o Ramasamy
Managing Director – Palmtop Vegeoil Products Sdn Bhd

Azlan Bin Ahmad
Head of Corporate and Legal Affairs

Chaw Pei Yee
Senior Manager – Finance & Administration

Azril Akmar Bin Attan Akmar
Chief Executive Officer – Continental Resources Sdn Bhd

Baharuddin Bin Basirun
Chief Operating Officer – Continental Resources Sdn Bhd

Foo Loke Year
Chief Executive Officer – Doe Industries Sdn Bhd

Company Secretaries

On Pooi Fong MAICSA 7018189/ SSM PC NO. 202208000204

Tan Lai Hong MAICSA 7057707/ SSM PC NO. 202008002309

Share Registrar

Boardroom Share Registrars Sdn. Bhd.
[Company No. 199601006647 (378993-D)]

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya, Selangor
Tel: 603-7890 4700
Fax: 603-7890 4670
www.boardroomlimited.com

Auditors

BDO PLT (AF 0206)
Level 8
BDO @ Menara CenTARa
360 Jalan Tunku Abdul Rahman
50100 Kuala Lumpur
Tel: 603-2616 2888
Fax: 603-2616 3190

Registered Office

Suite A-11-1, Level 11, Hampshire Place Office
157 Hampshire
No. 1, Jalan Mayang Sari
50450 Kuala Lumpur
Tel: 603-2182 7333
Fax: 603-2166 7208
www.cih.com.my

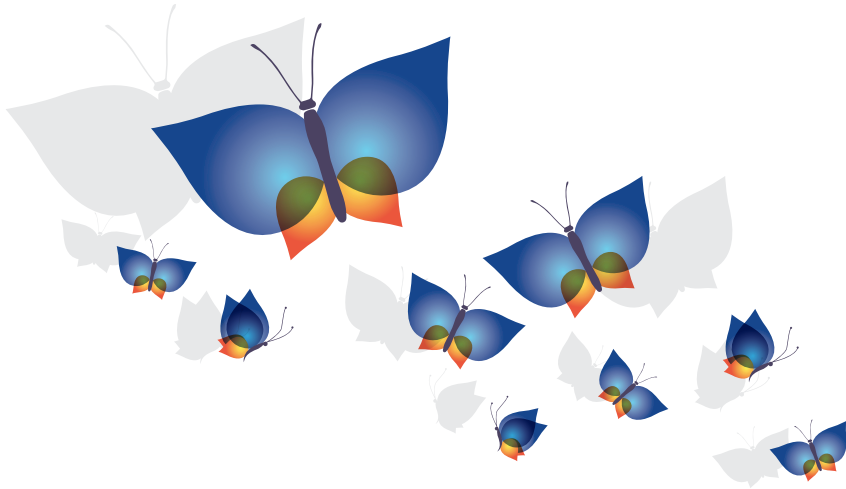
Principal Bank

Affin Bank Berhad
CIMB Bank Berhad
Malayan Banking Berhad
RHB Bank Berhad
RHB Islamic Bank Berhad

Listing

Main Market of Bursa Malaysia
Securities Berhad
Stock Name : CIHLDG
Stock Code : 2828

PROFILE OF DIRECTORS



Datuk Seri Johari Bin Abdul Ghani

**Non-Independent
Non-Executive Chairman**

Datuk Seri Johari Bin Abdul Ghani, male, aged 58, a Malaysian, was appointed to the Board on 6 March 2019. He was re-designated as Non-Independent Non-Executive Chairman on 30 May 2019. Datuk Seri Johari is a substantial shareholder of the Company via JAG Capital Holdings Sdn Bhd. He is a qualified Chartered Accountant under the Chartered Association of Certified Accountants, United Kingdom. Datuk Seri Johari was a former Minister of Finance II from 27 July 2016 until 9 May 2018.

Datuk Seri Johari began his career at an international accounting firm, Peat Marwick & Co. (now known as KPMG). He has been involved in the corporate world for more than 27 years where he held senior positions in various companies both listed and unlisted. He is also shareholder of several companies listed on the Bursa Malaysia Securities Berhad which are involved in various industries.

Datuk Seri Johari is currently the Chairman and substantial shareholder of KUB Malaysia Berhad. Further, he is also a substantial shareholder of Media Prima Berhad, which is listed on Bursa Malaysia Securities Berhad and Central Cables Berhad, an unlisted public company.

Datuk Seri Johari previously served on a number of Boards including amongst others, as the Chairman of Langkawi Development Authority (LADA), as a Director of Khazanah Nasional Berhad, a Trustee of Yayasan Pelaburan Bumiputera and a member of the National Productivity & Export Council.

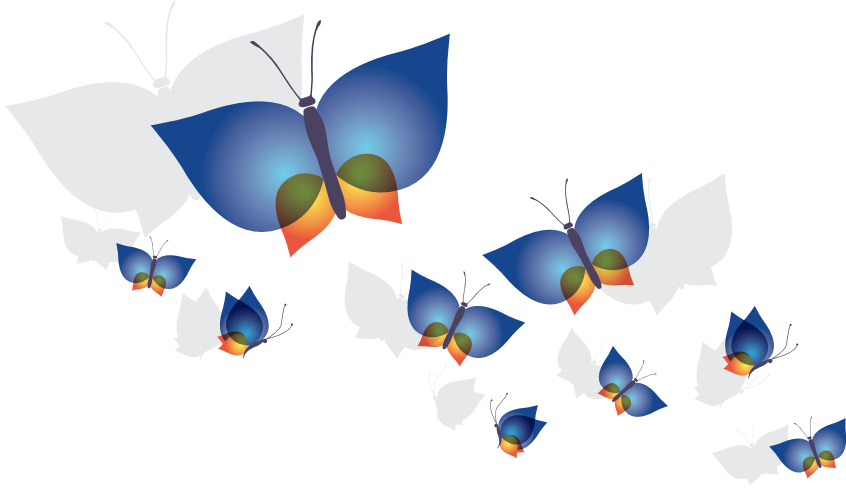
He does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which he has personal interest.

Other than traffic offences, Datuk Seri Johari does not have any convictions for offences within the past 5 years and was not subject of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.



PROFILE OF DIRECTORS

(continued)



Encik Megat Joha Bin Megat Abdul Rahman Group Managing Director

Encik Megat Joha Bin Megat Abdul Rahman, male, aged 59, a Malaysian, was appointed to the Board on 18 April 2013 as an Executive Director. Subsequently, he was re-designated as Group Managing Director on 29 July 2015. Currently, he is a member of the Risk Management Committee.

He is a USA trained and qualified accountant who graduated from Boston University, Massachusetts with a Degree in Accounting & Finance in 1986 and started his career with Peat Marwick Mitchell, Chicago, USA. Having passed the USA CPA examination in 1987 in Chicago he returned to join the KPMG Kuala Lumpur office in 1988.

In 1991, he joined Kumpulan FIMA Berhad where he served in various capacities as Vice President for the Agro-based group and Business development and as Executive Director/ Chief Executive Officer for Percetakan Keselamatan Nasional and Security Printers (M) Sdn Bhd, of FIMA Berhad.

In 1998, Encik Megat Joha joined the Kuala Lumpur Stock Exchange ("KLSE") (now known as Bursa Malaysia Securities Berhad) as Investigations Senior Manager for Market Supervision. In 1999, he led the project team in establishing the Labuan International Financial Exchange ("LFX") for the KLSE, and held the post of Assistant General Manager at LFX till 2002.

In early 2002, he assumed the post of Chief Operating Officer/Executive Director (Operations) at Mayban Securities Sdn Bhd until late 2005.

His various other stints included being the Group CEO of Majuperak Holdings Berhad and General Manager of Boustead Sissons Paints Sdn Bhd.

He is currently a Board member of KUB Malaysia Berhad and Central Cable Berhad. He does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which he has personal interest.

Other than traffic offences, Encik Megat Joha does not have any convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.



PROFILE OF DIRECTORS

(continued)



**YBhg Datin
Mariam
Prudence
Binti Yusof**

**Non-Independent
Non-Executive
Director**

YBhg Datin Mariam Prudence Binti Yusof, female, aged 69, a Malaysian was appointed to the Board on 27 July 2005 as Non-Independent Non-Executive Director.

She graduated with BA (Honours), University of Malaya in 1974. She started her career in the field of human resource and organisational development with multinational companies, namely Motorola (M) Sdn Bhd, Intel (M) Sdn Bhd, Shell Malaysia Sdn Bhd and Nestle (M) Sdn Bhd. In 1984, she entered the field of stockbroking and was the Executive Director of Equity Market of MIDF Amanah Investment Bank Bhd, until her retirement.

Datin Mariam Prudence Yusof other previous appointments include being a Member of the Kuala Lumpur Stock Exchange Committee (KLSE), a Director of Labuan International Financial Exchange Inc. (LFX), a Director of Securities Clearing Automated Network Services Sdn Bhd (SCANS) and a Director of Research Institute & Investment Analyst Malaysia (RIIAM) and Trustee of the Bumiputera Training Fund of the Securities Commission. She was also the Chairman of the Membership Committee of the KLSE. She retired from the Board of KLSE and its subsidiaries on 10 April 2004.

In year 2002, she was elected as Chairman of the Association of Stockbroking Companies of Malaysia (ASCM) with the primary role of spearheading the demutualization of KLSE to its new entity, Bursa Malaysia Berhad.

In 2017, Datin Mariam Prudence Yusof was appointed as a Board member of Bursa Malaysia Berhad, Bursa Malaysia Derivatives Berhad, Bursa Malaysia Derivatives Clearing Berhad and resigned from the Board on 1 May 2020. She also serves on the Board of RAM Rating Services Berhad and iFast Capital Sdn Bhd.

She is the mother of Encik Azril Akmar Bin Attan Akmar. Save as disclosed, she does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which she has personal interest.

Other than traffic offences, she does not have any convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



**YBhg Dato'
Sukumaran s/o
Ramasamy**

**Non-Independent
Non-Executive
Director**

YBhg Dato' Sukumaran s/o Ramasamy ("Dato' Kumar"), male, aged 65, a Malaysian was appointed to the Board on 10 June 2015 as Non-Independent Non-Executive Director.

After completing his secondary education, Dato' Kumar began his career in 1981 as a Plant Manager in Ngo Chew Hong Edible Oil Pte Ltd (subsidiary of Mewah International, a listed company in the Singapore Stock Exchange) and advanced in several positions in the company before becoming the Chief Executive Officer of the company. This equipped him with extensive knowledge on the daily operations of the company including production, finance and consumer marketing.

Dato' Kumar left the company in 2011 and was appointed Managing Director of Saber Pte Ltd. Dato' Kumar has 40 years of experience in the palm oil industries, specifically in the consumer pack segment. He is now the Managing Director of Palmtop Vegeoil Products Sdn Bhd. He is a well-known and respected figure in the industry with good relationships built with edible oil producers and suppliers.

Dato' Kumar possesses vast knowledge in the palm oil industry which he had successfully distributed edible oils and fats in retail packings to over 120 countries in Asia, Middle East, Australasia and Pacific Islands, Indian sub-continent, Africa, Caribbean Islands, Commonwealth of Independent States region and Europe.

He has no directorships in other public companies and listed issuers. He does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which he has personal interest.

Other than traffic offences, Dato' Kumar does not have any convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.

PROFILE OF DIRECTORS

(continued)



Ms. Lee Cheang Mei

**Non-Independent
Non-Executive
Director**

Ms. Lee Cheang Mei ("Joyce Lee"), female, aged 63, a Malaysian, was appointed to the Board on 7 May 2014 as an Alternate Director to Mr. Fung Heen Choon. She was re-designated as Non-Independent Non-Executive Director of the Company on 28 February 2018.

She is the co-founder and Managing Director of Continental Resources Sdn Bhd (173543-U) ("CRSB"), a wholly-owned subsidiary of the Company. She obtained her Certificate of Administrative Management from the administration and business management professional body, Institute of Administrative Management, in 1983. She has more than 31 years of experience in the edible oils industry where her core competency is in the marketing and sales of edible oils.

Ms. Joyce Lee began her career as a marketing executive in Felda Marketing Services Sdn Bhd ("Felda") in 1981 where she was responsible for the export sales of palm oil and its downstream products. During her 7 years tenure with Felda, she successfully developed the export market for 2 regions, namely Asia (including Australasia) and the Middle East. Ms. Joyce Lee then joined Seacourt Pty Ltd, Australia in 1988 as Marketing Director where she was responsible to explore and create business opportunities as well as marketing of Malaysia's palm oil and other liquid oil products to Australian consumers. In 1990, Ms. Joyce Lee left Seacourt Pty Ltd and co-founded CRSB where she was appointed Managing Director of CRSB.

Ms. Joyce Lee's current position as Executive Director of CRSB is responsible for identifying, developing and directing the implementation of CRSB's business strategies to ensure growth and progress in expanding market presence in the Asia (including Australasia), Middle East and Africa regions. She is also responsible for product development, brand and company positioning as well as ensuring a positive culture and working environment to achieve optimum employee productivity.

She has no directorships in other public companies and listed issuers. She does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which she has personal interest.

Other than traffic offences, Ms. Joyce Lee does not have any convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.



Encik Nor Hishammuddin Bin Dato' Mohd Nordin

**Senior Independent
Non-Executive
Director**

Encik Nor Hishammuddin Bin Dato' Mohd Nordin, male, aged 56, a Malaysian, was appointed to the Board as an Independent Non-Executive Director and a member of the Audit Committee on 30 May 2001. He was appointed as Senior Independent Non-Executive Director on 29 May 2019. Currently, he is the Chairman of the Remuneration Committee and Nomination Committee, and also a member of the Risk Management Committee.

He holds a Bachelor of Law (LLB) degree with honours and was called to the Malaysian Bar as an Advocate and Solicitor of the High Court of Malaya in 1994. He is presently the Managing Partner of Messrs Hisham Yoong – K.C. Lim, a legal firm.

He has no directorships in other public companies and listed issuers. He does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which he has personal interest.

Other than traffic offences, Encik Nor Hishammuddin does not have any convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.

PROFILE OF DIRECTORS

(continued)



**Ms.
Teh Bee Tein**

**Independent
Non-Executive
Director**

Ms. Teh Bee Tein, female, aged 66, a Malaysian, was appointed to the Board on 15 April 2009 as an Independent Non-Executive Director. Currently, she is the Chairman of the Audit Committee and Risk Management Committee, and also a member of the Nomination Committee and Remuneration Committee.

Ms. Teh is a member of the Malaysian Institute of Accountants (MIA) and also a Fellow of the Association of Chartered Certified Accountants-United Kingdom. She has over 30 years experience in public accounting practice, both in Malaysia and the United Kingdom. She is currently the Managing Partner of B.T. Teh, Thiang & Co.-Chartered Accountants (Petaling Jaya), a partner of Thiang & Co.-Chartered Accountants (Klang) and the Managing Director of B.T. Teh Tax Services Sdn Bhd.

She has no directorships in other public companies and listed issuers. She does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which she has personal interest.

Other than traffic offences, Ms. Teh does not have any convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.



**Mr. Kasinathan
a/l Tulasi**

**Independent
Non-Executive
Director**

Mr. Kasinathan a/l Tulasi ("Mr. Sunther"), male, aged 64, a Malaysian, was appointed to the Board on 8 February 2011 as an Independent Non-Executive Director and a member of the Audit Committee.

He holds a Bachelor of Law (LL.B) degree with honours from the University of London (External), and he is also a Barrister (Lincoln's Inn). He started his career as a Legal Executive in Messrs Shah & Burke, London and read in the chambers of Mr. Philip Waller QC in London. Mr. Sunther returned to Malaysia and was called to the Malaysian Bar on 27 September 1991. Upon being called to the Bar, he joined the legal firm of Messrs Sajali, Amier & Partners. In December 1992, Mr. Sunther resigned from Messrs Sajali, Amier & Partners to set up the partnership of Messrs A. Zahari Thulasi now known as Messrs Affendi Zahari ("the Partnership"). Mr. Sunther resigned from the Partnership on 31 December 2019 and currently a Consultant with Messrs Amir & Rajpal Ghai.

He is also currently a Board member of KUB Malaysia Berhad and Central Cable Berhad. He does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which he has personal interest.

Other than traffic offences, Mr. Sunther does not have any convictions for offences within the past 5 years and particulars any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.

PROFILE OF DIRECTORS

(continued)



YBhg Datuk Haji Ariffin Bin Imat

**Independent
Non-Executive
Director**

YBhg Datuk Haji Ariffin Bin Imat, aged 66, a Malaysian, was appointed to the Board as Independent Non-Executive Director on 6 March 2017. He is currently a member of Remuneration Committee and Nomination Committee.

He graduated with BEc (Honours) in the field of Applied Economics, University Malaya in 1979, and served for 36 years in the public sector. He started his career as an Administrative and Diplomatic Officer, and was promoted to the State Development Officer in 1987, and served until he retired on 31 December 2015.

He has extensive experience in the implementation and monitoring of Government 5-Year Plan development projects and the implementation of special projects. He is also experienced in managing the relationship and cooperation between central agencies, ministries and state governments.

Throughout 36 years of service, has been awarded the Bintang Cemerlang Melaka (B.C.M), Ahli Mangku Negara (A.M.N) and Panglima Mahkota Wilayah (P.M.W) by His Majesty the Yang Di-Pertuan Agong in conjunction with Federal Territory Day in 2015.

He has no directorships in other public companies and listed issuers. He does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which he has personal interest.

Other than traffic offences, he does not have any convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.



Mr. Fung Heen Choon (Alternate Director to Ms. Lee Cheang Mei)

**Independent
Non-Executive
Director**

Mr. Fung Heen Choon ("Julian Fung"), male, aged 65, was appointed to the Board on 7 May 2014 as Non-Independent Non-Executive Director. On 28 February 2018, he was re-designated as an alternate director to Ms. Lee Cheang Mei.

He is the co-founder and Executive Director of Continental Resources Sdn Bhd (173543-U) ("CRSB"), a wholly-owned subsidiary of the Company. He obtained his Bachelor of Arts degree in Economics from North East London Polytechnic, United Kingdom, in 1982. He has more than 21 years of experience in the edible oils industry where his core competency is in operations, accounting and finance.

Mr. Julian Fung began his career as an account assistant in London's E.F. Hutton Pte Ltd in 1984 and was responsible for contract reconciliation and producing financial reports. In 1987, Mr. Julian Fung returned to Malaysia and joined Seccon Management Services Sdn Bhd as Manager and served the company for a period of 3 years. Mr. Julian Fung was responsible for the business development of the company as well as secretarial and management consultation services to its clients. Mr. Julian Fung resigned from Seccon Management Services Sdn Bhd in 1990 and co-founded CRSB where he was appointed Executive Director of CRSB, a position he continues to hold till today.

Mr. Julian Fung is responsible for managing the administration and factory operations of CRSB, including evaluation and implementation of operational expansion plans, licensing, financial strategies and cash flow as well as securing trade facilities and financing from financial institutions.

He has no directorships in other public companies and listed issuers. He does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which he has personal interest.

Other than traffic offences, Mr. Julian Fung does not have any convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.

GROUP MANAGEMENT TEAM'S PROFILE



Encik Megat Joha Bin Megat Abdul Rahman Group Managing Director

(Please refer to page 4 of Profile of Directors)



Ms. Lee Cheang Mei Executive Director - Continental Resources Sdn Bhd

(Please refer to page 6 of Profile of Directors)



Mr. Fung Heen Choon Executive Director - Continental Resources Sdn Bhd

(Please refer to page 8 of Profile of Directors)



Dato' Sukumaran s/o Ramasamy Managing Director - Palmtop Vegeoil Products Sdn Bhd

(Please refer to page 5 of Profile of Directors)



Encik Azlan Bin Ahmad Head of Corporate and Legal Affairs

Encik Azlan Bin Ahmad, aged 54, a Malaysian, holds an LL.B (Hons) degree from the Middlesex University, London and he qualified as a Barrister-at-Law (Lincoln's Inn), England. Currently, he is a member of the Risk Management Committee.

He was called to the Malaysian Bar as an Advocate and Solicitor of the High Court of Malaya in 1993 and spent more than 6 years in private legal practice before joining a public listed company in the fast food industry in year 2000 as its Legal Manager where he served for five years.

He joined the Company's then subsidiary, Permanis Sdn Bhd in 2005 as its Head of Legal and obtained his qualification as a Licensed Company Secretary in 2007. He served as the Group Company Secretary for the Company and its group of companies until July 2016. At the Company, he is responsible for overseeing the Legal and Corporate Secretarial Affairs department and provides advisory services in the same field to the Company and its subsidiaries.

Apart from Central Cables Berhad, a non-listed public company, he has no directorships in other public companies and listed issuers. He does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which he has personal interest.

Other than traffic offences, Encik Azlan does not have any convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.



Ms. Chaw Pei Yee Senior Manager - Finance and Administration

Ms. Chaw Pei Yee, aged 57, female, a Malaysian, holds a Master's Degree in Business from the Victory University of Technology, Australia. She is a member of the Malaysian Institute of Accountants, the Certified Practising Accountant Australia and Asean Chartered Professional Accountant. Currently, she is a member of the Risk Management Committee.

She has more than 9 years of experience in the external audit field covering a wide range of industries including property development, manufacturing, construction, hotel, plantations and investment holdings. Prior to joining the Company, she was an Accountant of a Public Listed Company in the Property Development sector.

She joined the Company as an Accountant and was appointed as Senior Manager, Finance and Administration on 16 April 2007. She oversees the finance, tax, administration and human resources of the Company.

She has no directorships in other public companies and listed issuers. She does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which she has personal interest.

Other than traffic offences, Ms. Chaw does not have any convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.

GROUP MANAGEMENT TEAM'S PROFILE

(continued)



Encik Azril Akmar Bin Attan Akmar Director/Chief Executive Officer of Continental Resources Sdn Bhd

Encik Azril Akmar Bin Attan Akmar, aged 43, male, a Malaysian, holds a Bachelor's degree in Management (Accounting) from Universiti Teknologi Malaysia and a Master of Science degree in Investment Management from Pace University, New York.

He was appointed as a Director of Continental Resources Sdn Bhd ("CRSB") on 17 September 2021. He was also appointed as Chief Executive Officer of CRSB on the same date.

He served as the Financial Controller at Palmtop Vegeoil Products Sdn Bhd, a subsidiary of CRSB, from 2015 to 2021. Prior to that he spent 16 years in various management and executive roles in different industries, including luxury retail and distribution, oil & gas service provider, and infrastructure works.

Encik Azril Akmar is a graduate of Akademi Tentera Malaysia (now known as Universiti Pertahanan Nasional Malaysia) and was a commissioned officer in the Malaysian Army. He was the recipient of the Sword of Honour in 2003, conferred by the Yang Di-Pertuan Agong for best military performance. He was also the recipient of the Academic Prize for best academic results during his studies at the academy.

He does not hold any directorships in other public companies and listed issuers.

Encik Azril Akmar is the son of Datin Mariam Prudence binti Yusof. Save as disclosed, He does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which he has personal interest.

Other than traffic offences, he does not have any convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.



Encik Baharuddin Bin Basirun Chief Operating Officer of Continental Resources Sdn Bhd

Encik Baharuddin Bin Basirun, aged 59, male, a Malaysian, was appointed as the Chief Operating Officer of Continental Resources Sdn Bhd ("CRSB") on 1 May 2015.

After obtaining a Diploma in Accountancy from Universiti Teknologi MARA ("UiTM"), Shah Alam, Malaysia, he began his career in 1984, as an Assistant Accountant at Klang Port Authority. In 1986, he furthered his studies pursuing the Chartered Institute of Management Accountant (CIMA) qualifications at the Accountancy Tutors, London, United Kingdom. In 1992, upon his return to Malaysia, he joined the privatised Klang Port Management as an Assistant Accountant.

In 1995, he joined PDX Computers Sdn Bhd as a Senior Executive (Finance). Concurrently, he obtained his Bachelors of Accounting from UiTM and in 1996, he joined Prolink Development Sdn Bhd, as an Assistant Manager (Finance).

In 1997, he joined Konsortium Logistic Berhad ("KLB"), as an Accountant and his last position with KLB was as its Vice President. In 2004, he joined Ayamas Food Corporation Sdn Bhd ("Ayamas"), as a Senior Manager and in 2007 was promoted to the position of Deputy General Manager ("DGM") of KFC Manufacturing Sdn Bhd. His last position prior to joining the Company was as the DGM of Ayamas. During his 10 years with the QSR Group, he successfully set-up the Logistics Division, warehouse management system, re-engineering of its manufacturing system and production management system.

Currently, Encik Baharuddin is the Chief Operating Officer of the Edible Oil Products Division and is responsible for managing the operations and financial of the Group's Edible Oils Division including production planning, material planning, supply chain management, quality management, licensing, financial strategies, cash flow, trade facilities and financing from financial institutions and project manager for Enterprise Resource Planning (ERP) and Manufacturing Execution System (MES) implementation.

He has no directorships in other public companies and listed issuers. He does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which he has personal interest.

Other than traffic offences, Encik Baharuddin does not have any convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.

GROUP MANAGEMENT

TEAM'S PROFILE

(continued)



Mr. Foo Loke Yean

Chief Executive Officer of Doe Industries Sdn Bhd

Mr. Foo Loke Yean ("Robert Foo"), aged 57, male, a Malaysian, is a Graduate Member of The Chartered Institute of Marketing and Institute of Commercial Management, United Kingdom. After graduating he continued to pursue Advance Diploma in Business and Management from West Glamorgan Institute of Higher Education, Wales, United Kingdom. Currently, he is a member of Risk Management Committee of the holding company, C.I. Holdings Berhad.

Prior to joining Doe Industries Sdn Bhd [197701005750 (36788-T)] ("Doe") in July 2001, he was with Hume Industries Berhad – Concrete Division as Sales Manager from 1990 to 2001. He has 26 years' experience in Building Material Industry.

He joined Doe in 2001 as Sales Manager later promoted in 2007 to General Manager – Sales and Marketing and subsequently in August 2009 was promoted to Chief Executive Officer of Doe Group of Companies. He is overall in charge of the Operation and Business Development of Tap ware and Sanitary Ware Division.

He has no directorships in other public companies and listed issuers. He does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which he has personal interest.

Other than traffic offences, Mr. Robert Foo does not have any convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview Of Group's Business And Operations

Company Profile

The Group is divided into two main divisions, being the Edible Oil Products Division and the Tap and Sanitary Ware Division. The Edible Oil Products Division focuses on exporting vegetable-based edible oil and fat products in consumer pack form, while the Tap and Sanitary Ware Division is generally involved in the trading and distribution of sanitary ware and tap fittings to the property development and retail markets.

Edible Oil Products Division

The Edible Oil Products Division consists of Continental Resources Sdn Bhd [198801006186 (173543-U)] ("CRSB") and the Palmtop Group ("Palmtop").

CRSB has three (3) plants based in Banting, Klang equipped with twenty three (23) packing lines with a rated packing capacity of 348,000 metric tonnes of edible oils per annum and thirty seven (37) oil tanks with a total tankage capacity of 4,000 metric tonnes.

CRSB also has sixteen (16) Jerry-Can ("JC") blow-moulding machines with a monthly production capacity of 1 million units of jerry cans in various sizes, i.e., 3L, 5L, 10L, 18L, 20L & 25L. Eleven (11) JC machines at Plant 2 and five (5) JC machines at Plant 3.

As CRSB manufactures its own jerry cans packaging material, there are cost savings of between up to 5% in terms of costs incurred for purchasing packing materials and their logistics costs. These savings are either shared with our customers or serve to improve our selling margins. These high-quality jerry cans are packed with cooking oil and exported with very minimal rejections and customer complaints. Thus, CRSB is in a more competitive position amongst its competitors in the industry to increase profitability and market share.

Palmtop, in turn, operates two (2) packing plants in Pasir Gudang, Johor which comprises of Palmtop Vegeoil Products Sdn Bhd [199301012218 (266956-P)], PNC Oil Factory (Malaysia) Sdn Bhd [199501042433 (371637-V)] and Continental Palms Pte Ltd, a sales & marketing office based in Singapore. It has fifteen (15) packing lines with a rated packing capacity of 316,000 metric tonnes of edible oils per annum and thirty seven (37) oil tanks with a total capacity of 4,500 metric tonnes.

Tap And Sanitary Ware Division

The Tap and Sanitary Ware Division currently has one (1) assembly and Quality Assurance ("QA") plant in Senawang, Negeri Sembilan. While the sales and marketing headquarters is located in Damansara Utama, Petaling Jaya, which also functions as a distribution centre.

The division is committed to service and promote business partnerships with its retail outlets nationwide, leveraging Original Equipment Manufacturer ("OEM") partnerships with local and overseas brands and working closely with major developers and government agencies to secure orders. It will also emphasise building materials to increase revenue and focus on stringent control on quality for OEM/trading items. Under the respective brands, the division trades various types of building materials such as roof tiles, wall and floor tiles, paint, kitchen appliances, precast concrete products and timber plywood through agents.

However, as the building materials industry is currently experiencing difficult times, there are plans to sell the Tap and Sanitary Ware Division to any party that is keen to expand and tap into the hardware market totalling almost 1,000 dealers. The Group will then channel all its effort and resources to further drive the edible oil business growth.

Vision

Our group strives to develop, enhance and create a comprehensive portfolio of consumer brands to enable the generation of sustainable profit growth and reasonable investment returns to our shareholders.

Principal Activities Of Our Group

- Blending and packing of vegetable-based edible oils.
- Marketing, branding and merchandising of various consumer-packed edible oil products in the domestic and international market.
- Trading in a broad range of tap and sanitary ware products.

Key Markets

Asia (including Australasia), Africa and the Middle East regions.

Strategies In Creating Value

- Leveraging core competencies and areas of strategic advantages.
- Identifying compelling market opportunities by maintaining abreast of market developments and evolving customer needs.
- Offering a broad and compelling portfolio of products and brands tailored to customer needs/wants.
- Continual optimisation of business processes.
- Providing opportunities for growth and enrichment to our employees, our business partners and the communities in which we operate.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Highlights of the Group's Financial Information for the Past 5 Financial Years

Financial (in RM'000)					
	2022	2021	2020	2019	2018
Revenue	4,046,102	3,144,549	2,572,493	2,272,914	2,602,701
Profit before Interest and Tax	128,897	127,873	63,584	45,934	58,395
Finance Costs	(5,132)	(6,796)	(10,517)	(12,640)	(13,095)
Net Profit	119,360	116,090	45,311	27,074	45,034
Shareholders' Funds	328,793	281,328	227,663	210,392	211,153
Total Assets	1,149,474	849,942	805,076	573,969	588,973
Borrowings	403,899	300,176	375,136	202,057	243,034
Debt/Equity (%)	123	107	165	96	115
Earnings per share (sen)	41.04	43.19	18.59	11.75	19.20
Net Assets per share (RM)	2.03	1.74	1.41	1.30	1.30
Dividend per share (sen)	12	12	10	8	10

Share Performance (RM)					
	2022	2021	2020	2019	2018
Year high	4.28	3.70	1.55	1.94	2.39
Year low	2.69	1.09	0.82	1.21	1.80
Year close	2.84	3.23	1.20	1.37	1.84
Market capitalisation (as at financial year end)	460.0 million	523.3 million	194.4 million	221.94 million	298.08 million

Review Of Financial Results And Financial Condition

Revenue

The Group reported a significant increase in revenue of RM4.0 billion for the financial year ended 30 June 2022 ("FY2022") compared to the RM3.1 billion recorded in the preceding year's financial year ended 30 June 2021 ("FY2021") despite all the ongoing uncertainties relating to the pandemic and unresolved global trade tensions.

This 29% increase in revenue was attributed to the over 50% increase in average olein prices despite the 12.7% drop in total shipments of full container loads ("FCLs") and the 6% strengthening of the USD against the RM.

Profit Before Tax ("PBT") & Expenses (costs)

The Group's PBT's recorded a slight increase to RM123.77 million for the current year from RM121.08 million in the previous financial year was mainly contributed by the significant increase in commodity prices and premium pricing brought on by high demand for immediate delivery at market destinations. This is a result from reduced soft oil stocks and rising soyabean oil prices which widened the premium to olein prices.

Operating expenses incurred an increase from the previous reporting period. This is predominantly due to lower margins, higher realised and unrealised forex losses and higher expected credit loss on financial assets.

Finance costs decreased by 24% from RM6.8 million to RM5.1 million in the reporting period. This is mainly due to lower utilisation of trade facilities as part of our efforts to control finance costs by paying cash for certain capital expenditure, wherever possible.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Assets: Trade Receivables

Trade receivables increased by 36% from RM446.45 million to RM608.93 million or on average being outstanding from 52 days to 55 days during the year. The slight increase is predominantly linked to higher sales over the reporting period which was also affected by the various lockdowns at the customers' market who faced some delays in remitting payment due to documentation clearance delays at arrival ports.

Assets: Inventories

There was an increase in inventories by 52%, from RM72.22 million in the previous financial year to RM109.64 million. This is in proportion to the higher revenue and higher commodity prices recorded in the financial year under review.

Assets: Cash And Bank Balances

The Group's bank balances and deposits placed with licensed banks increased by 29%, from RM187.31 million to RM241.87 million. This was primarily due to higher proceeds arising from increased sales revenue made during the FY2022.

Liabilities: Trade And Other Payables

The Group's trade and other payables increased 58% to RM286.0 million from RM181.29 million in FY2021. This is consistent with the higher revenue recorded in the current financial year.

Capital Structure And Capital Resources

The Group remains prudent in maintaining a sound financial position to enable the execution of strategic objectives in creating value over the coming years. The Group's borrowings increased by 35%, from RM300.18 million to RM403.90 million during the year. The Debt/Equity ratio of 107% reported as at 30 June 2021 increased to 123% as at 30 June 2022. Noteworthy to mention that the debt was mainly for short term financing of no more than 90 days outstanding to purchase raw materials for sales.

Known Trends And Events

With the reopening of the economy as well as the National Recovery Plan being fully enforced. This has contributed to the improvement of the nation's economic activity.

The Group's Edible Oil Products Division clocked in higher revenue with the global shortage of soft oil stocks which widened the premium of olein prices. This came after Malaysia recorded higher exports when the world's largest palm oil producer restricted its palm oil exports due to several measures implemented plus the Russia-Ukraine war which disrupted the global supply chain of sunflower oil, pushing up demand for palm oil as an alternative. Plus the average crude palm oil ("CPO") price hitting a record high of \$1,800 per tonne in May 2022. This has undoubtedly benefited the Edible Oil Products Division in increasing sales exports. As a result, most of our sales orders were done with immediate delivery contracts, which fetched premium pricing at destination markets.

Malaysia's Tap and Sanitary Ware market is expected to slow down over the forecast period. The sluggish building and construction sectors has been severely affected due to the shortage of workers. The high prices for building materials caused by increases in their basic material prices and higher freight and shipping costs have caused many contractors to renegotiate their contracts with the property developers which have further delayed progress at sites. However, we still believe we can turn around the division's performance given our planned costs cutting measures coupled with the strong demand in the private housing renovation, Do-It-Yourself ("DIY") market as well as to the current Mass Rapid Transit ("MRT") and Light Rail Transit ("LRT") projects which are ongoing albeit at a slow pace due to the unavailability of workers at site.

Despite all the challenges and uncertainties during the pandemic and now endemic phase, the Group is proud to state that we have strived to protect the employees' future by paying their full take-home salaries, annual bonuses and salary increments without delay and with no pay cuts.

Review Of Operating Activities

Operating Activities

Despite these challenging times, the Group is satisfied with the current period's performance. The Group's Profit Before Interest and Taxation of RM128.90 million did not differ much from the RM127.87 million recorded in the previous period. This is due to improved gross profit margins due to favorable selling margins at destination markets as a result of the sharp increases in prices which resulted in increased immediate delivery contracts. The higher margins and prices are thus less susceptible to price negotiations with the customers.

Aside from that, there were no further significant developments in the operating activities during the financial year.

MANAGEMENT

DISCUSSION AND ANALYSIS

(continued)

Anticipated Or Known Risks

Foreign Exchange Risk

The Group exports approximately 95% of its products worldwide each year, thereby increasing the risk of exposure to currency exchange. However, this risk is mitigated by way of forward currency contracts, wherever possible.

Country Risk

To a large extent, financial performance is dependent on political, economic and regulatory environment in the importing countries. Any adverse developments may result in default of contracts, collection problems leading to bad debts and possible loss of market share. The Group thus closely monitor the situation on a weekly and at times on a daily basis of the importing countries to identify, plan and execute counter measures to mitigate such risks.

Future Prospects

Possible Trend And Outlook

The Group will focus on its expansion plans for revenue growth for its edible oil operations and with smart partnership tie-up with property developers for the tap-ware and sanitary ware divisions to enhance shareholders' value.

The Edible Oil Products Division is focusing on expanding its customer base as it aspires to maintain a constant flow of reliable customers from various markets. The Group is also striving towards achieving cost and operational efficiency in its daily operations. This has resulted in CRSB undergoing a business model restructure which is expected to result in improved future earnings and margins. Despite downward pressure on CPO prices, palm oil prices are likely to remain high in light of the tight overall edible oils and fat supply internationally. At the same time, we are consistently focusing on improving margins for our own product range, predominantly in our own palm olein house brands and non-oil products such as soap-related products, evaporated and condensed milk and milk powder.

The Tap and Sanitary Ware Division aims to focus on transportation mega projects, healthcare and retail for better profitability. The Government's effort to improve intra city public transportation system provides an opportunity for the Division to expand its market. Having supplied to MRT 2 and currently to LRT 3; these will strengthen the Division's bid for the upcoming MRT 3 (31 stations) and the Bayan Lepas, Penang LRT (23 stations).

While increased construction of new hospitals and expansions during this endemic phase will provide growth for the Division's medical series tap wares and clinical series products. The Division's good supply track record to hospitals nationwide, will be an advantage when bidding for such projects. The Division is also investing more R&D efforts into developing products that are suitable for the healthcare market to increase the profitability.

The retail industry for taps and sanitaryware is poised for better growth as consumers are getting more savvy in DIY skills at home. The Division will be introducing products with the latest attractive designs and improving the packaging to enlarge this target market. Online sales are also increasing from current registered portals such as Lazada and FB . The Division will be extending its digital reach through other planned online sales portals as well. Besides targeting the end user, the Division is also offering attractive packages to the retailers to increased revenue in the near future.

Dividend Policy

The Group has no dividend policy in place on the account of possible requirements of funds for future expansions and growth.

SUSTAINABILITY STATEMENT

Sustainability is an integral part of the Company and its subsidiaries' (the "Group") way of doing business and serves as a guiding coalition to the decision making and development processes. The Group's sustainability strategy is determined by the Board of directors, who oversee corporate sustainability performance. The Group Managing Director oversees the implementation of the Group's sustainability approach and ensures that key targets are being met.

The Sustainability Statement outlines the overview of our sustainability practices and performance for the financial year ended 30 June 2022. This includes corporate governance, upholding stakeholders' interests, promoting a safe, healthy, and harmonious working environment for all our employees and contributing to the communities in which we operate. The Group recognises the importance of embedding sustainability into the core strategy and its business operations as a source of competitive advantage to minimise risks as well as to take advantage of business opportunities.

As the implications of COVID-19 reshape global economies and disrupt businesses, the need for a more comprehensive sustainability strategy has never been more critical to our collective future. Sustainability offers an opportunity to drive top line economic and social growth while maintaining long-term competitive advantage by ensuring minimal environmental impact. The Group's sustainability framework is focused on the evaluation of the economic, environmental and social risks and opportunities coexistent with the Group's corporate governance framework and corporate social responsibilities in line with Bursa Malaysia Securities Berhad's Sustainability Reporting Guide.

Materiality

The Group identifies and prioritises the sustainability issues that matter most to the business and stakeholders. An issue is material if two conditions are met. Firstly, it impacts the business in terms of growth, cost, risks and/or trust. Secondly, it is important to the stakeholders such as customers, employees, governments, investors, non-governmental organisations ("NGOs") and suppliers.

In determining if an issue is material, the Group also considers if it is aligned with the Group's Mission and Vision. The Group uses the materiality assessment to identify priority sustainability issues across the value chain in ensuring the sustainability and continuity of our business and reporting on the issues of most interest.

Economic, Environmental And Social ("EES") Impacts

The Group acknowledges its impacts on the economic conditions of the stakeholders and on economic systems at local, national and global levels, its impact on living and non-living natural systems, including land, air, water and ecosystems, as well as the impacts the Group has on the social systems within which it operates.

The Group has developed a list of relevant issues, based on the engagements with internal and external stakeholders. Among others, the stakeholders considered in the development of the list were:

- Internal – Board of Directors, Group Managing Director, the management and employees.
- External – regulators and government authorities, suppliers, customers, NGOs, shareholders (retail and institutional) and community

Since then, the Group has established an ongoing process whereby emerging concerns raised by stakeholders during any engagement will be documented and updated in the list.

Outcome Of The Materiality Assessment

The Sustainability Statement describes the Group's performance based on key non-financial metrics and highlights areas where sustainability management and processes could be strengthened. This provides a basis for us to continually improve our reporting to better meet our stakeholders' expectations.

The findings of the assessment have been plotted in the materiality matrix below based on their EES impact to the Group's business, and against their importance to both internal and external stakeholders.

SUSTAINABILITY STATEMENT

(continued)

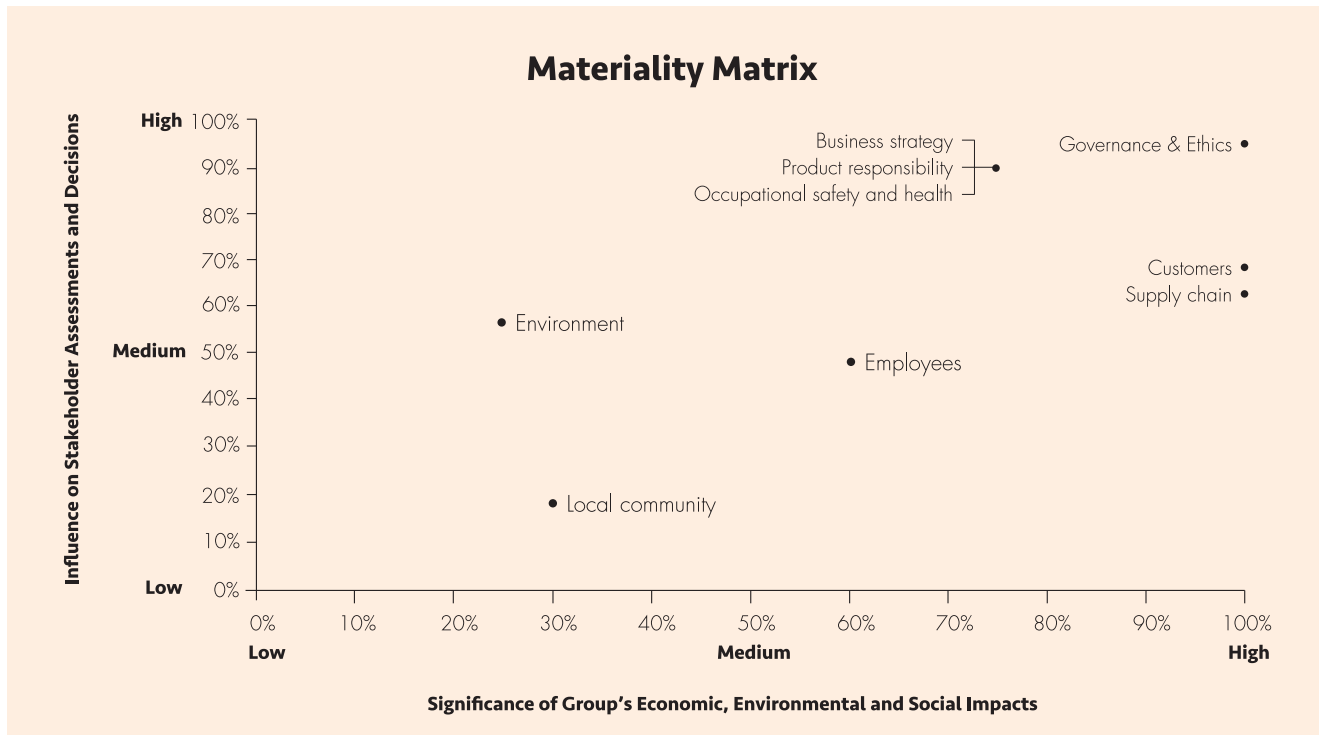


Figure 1 Materiality Matrix

The assessment yielded 9 material topics, (i) business strategy, (ii) product responsibility, (iii) occupational safety and health, (iv) customers, (v) supply chain, (vi) environment, (vii) Governance and Ethics, (viii) employees and (ix) local community.

Business Strategy

The Group believes that the most vital part of a business lies within its core strategy. To ensure the smooth running of our operations and adequate access to financing, we maintain strong relationships with our business partners, suppliers, and relevant authorities.

The Group's revenues are highly dependent on export sales; therefore, it is important we acknowledge that any lower export sales due to competitive pricing abroad will impact the bottom line and erode market share. In an effort to reduce costs and improve margins, the Group constantly seeks to secure competitively priced materials.

Product Responsibility

Customer satisfaction is the Group's number one priority. We are committed to providing products that meet all regulatory, safety, and quality standards in order to fulfil our customers' requirements while ensuring that our suppliers share the same philosophy. Quality management systems have been implemented to monitor and control the processes from planning and development to production and after-sales service to comply with all stipulated standards.

The Group's Edible Oil Products division continuously ensures that it conforms to the various food and quality standards imposed by the respective Government agencies and licensing bodies in Malaysia and the importing countries. It also adheres to the stringent food and quality standards set by its customers.

SUSTAINABILITY STATEMENT

(continued)

The Group has been awarded various accreditations shown below:

Certifications and Accreditations

Edible Oil Products Division	Tap and Sanitary Ware Division
ISO 22000	Malaysian Standard MS1184:2014
Good Manufacturing Practices ("GMP")	British Standard BS EN 200:2008
Hazard Analysis and Critical Control Points ("HACCP")	Malaysian Standards MS795
HALAL	MS1522
KOSHER	MS147
MeSTI	MS2578
Phytosanitary Certifications	BS EN 1213:2000
	MS 2545:2014
	Malaysian Water-Efficiency Product Labelling Scheme ("MWEPLS")

These certifications set out procedures to ensure that the products are safe for consumption.

In addition, to promote the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders, the Edible Oil Products Division has become a member of the Roundtable on Sustainable Palm Oil ("RSPO").

Occupational Safety And Health

All workers, regardless of their occupation or how they are engaged, have the right to a healthy and safe working environment; and secondly well-designed, healthy and safe work will allow workers to have more productive working lives. The known risks include health hazards of an uncondusive working environment, old machinery, inadequate facilities, oil spillage, and dust, resulting in accidental injuries, health issues, and fire hazards. As the Group relies heavily on humans and machinery in the plants, any untoward fire incident may result in the loss of life, injuries, and damage to the machinery.

The health and safety of our employees, partners, and local communities have always been a top priority. All employees must participate in safety training and exercises to establish a satisfactory level of performance. We make sure that the importance of training is understood by all employees while ensuring that the safety training is regularly updated to create a safe and secure workplace. This includes regular morning briefings to production workers, regular inspections on safety equipment, and regular maintenance of the machinery and facilities. Annual inspections by the fire department are performed to assess and mitigate potential fire and life-safety hazards. The Group is also adequately insured to minimise any economic impact "loss" in the case of an unfortunate event.

The Health and Safety Committee is tasked to ensure a safe and healthy working environment. Safety policies have been prepared and are being effectively implemented. The health and safety officer is certified by the National Institute of Occupational Safety and Health ("NIOSH"). The committee has also undergone the Chemical Health Risk Assessment ("CHRA"), the Noise Mapping, the Medical Exposure Monitoring, and the audiometric tests according to Occupational Safety and Health Act ("OSHA") 1994.

The Group did not receive any penalties related to occupational health and safety from relevant authorities in the current reporting year. There were also no workplace fatality cases reported in the Group.

As Malaysia starts its recovery from COVID-19, most organisations are returning to work. Health, safety and wellbeing cannot be taken for granted. In the 'New Normal', the Group has formulated plans around emerging risks to ensure the health and safety of the Group's stakeholders, primarily our employees, supply chain and customers. We have considered what a COVID-safe workplace looks like and how it can be effectively managed. This has been proven successful upon minimisation of our employees' risk exposure to COVID-19.

The Group has focused its efforts on prompt and clear communication on the strict and effective Standard Operating Procedures ("SOP") and best practices as recommended by the Ministry of Health and the World Health Organisation to employees. Workplace exposure is also monitored, particularly with the mandated wearing of face masks and the increased frequency of cleaning and sanitisation of premises. All foreign workers' living quarters and accommodations are COVID-19 compliant and are being regularly inspected by the Malaysia's Ministry of Health. This is consistent with Majlis Perbandaran officials and the National Security Council ("NSC") directives. As a result, the Group has been allowed to operate without any closure notice since the pandemic arose. This further emphasises the commitment of our team as well as cooperation of all parties amongst our operational factories.

SUSTAINABILITY STATEMENT

(continued)

Customers

The main customers of the Group are based abroad. It is evident that the Group's businesses are highly likely to be jeopardised in the case of any political or economic instability from the importing countries. The critical sustainability issues identified in this category are non-payment and default of contracts, foreign exchange risks, and the shortage of USD currency in the importing countries.

To mitigate such risks, the Group continuously monitors the customers' credit performance and deploys hedging instruments such as foreign currency forward contracts to cover incoming remittances from the sales contracts. The Group is also becoming less dependent on sales from any particular countries or regions by spreading sales exposures across many countries and areas to diversify, reduce and minimise the potential financial impact.

Supply Chain

The Group will face the risk of a production halt if the materials supplies cease to arrive, incur extra costs in terms of overtime, delay delivery to port (special service request/SSR) and short ship (delays to next shipment).

To mitigate supply chain disruptions risk, the Group monitors the suppliers' credit limits, credit terms and stock's availability on a daily basis. The Group also maintains good rapport with all suppliers to ensure smooth day-to-day operations which may disrupt production schedules and deliveries. During this endemic period, it is inevitable that there will be the risk of supply shortages and the Group realises the importance of engaging a few suppliers and is taking strong precaution to not overly rely on a few suppliers for the delivery of its raw materials.

Environment

The Group actively minimises its business operations' impact on the environment and manages them in the following areas; raw material and energy utilisation, waste management, and supply chain optimisation.

The Group has implemented an ongoing product wastage elimination program. We practice product and packaging design optimisation to reduce raw material wastage and utilisation while also specifying into recycled packaging products. The Group also aims to conserve energy and production inputs through optimisation of its production processes. All waste management programs are consistent with the regulations outlined by the Department of Environment.

The Group also promotes its extensive range of water conservation products to help its customers conserve water and energy, which conform to Malaysia's Green Building Index ("GBI") and Singapore's Water Efficiency Labelling Scheme ("WELS").

On the supply chain management front, the Group prioritises ISO 14000 (Environmental Management System; EMS) certified suppliers.

The Group's edible oil products division has also implemented the appropriate procedures to minimise production wastage. Oil leakages resulting from dented tins, jerry cans, and spoilt PET bottles are rejected and sent to the rework area. The salvaged oil spillage is then transferred into a dedicated bullet tank and subsequently filtered into a storage tank. Subsequently, any remaining oil spillage will then flow into the drain and will eventually be collected by the oil trap system and disposed-off only as sludge oil to approved buyers.

Additionally, recyclable items such as rejected jerry cans, PET bottles, plastics, shrink wraps, caps, inserts, carton boxes, and wooden pallets are then sent to the disposal area for collection by approved buyers and sold as scrap items.

Governance & Ethics

Significant to the Group are its corporate governance and ethics. Directors and company officers play an essential role in establishing and maintaining the standard of a company's corporate governance. It is the driver of the operations and performance of a company. The code of conduct and ethics sets out the Group's business values and practices whereby the Group takes on the highest ethical integrity and accountability while maintaining transparency in conducting our business operations. We have a zero-tolerance approach to any corrupt practices and any other manifestations of dishonest and unethical business practices. There is a whistle-blowing policy which provides the rights and protection for whistle-blowers to identify and call out misconduct, suspected violation and breaches of the law.

The Group has also established and enforced the Anti-bribery and Corruption ("ABC") Policy to create awareness and prevent corruption cases from occurring. Workshops have been conducted with the Group's subsidiaries on the Provision on Corporate Liability (amendment of Section 17A) under the Malaysian Anti-Corruption Commission Act 2009. The purpose of the provision is to criminalise an organisation if any associated person commits corrupt practices. All complaints are investigated, and such breaches may lead to disciplinary measures, including dismissal. There were zero recorded cases of corruption as defined under the Provision for the current reporting year.

A Code of Conduct and Ethics, Whistle Blowing Policy and ABC Policy are included in both our employee handbooks and on our website —www.cih.com.my— sets out the standards of conduct and personal behaviour which our directors and employees are required to observe. This is to ensure that the Group's commitment is upheld.

SUSTAINABILITY STATEMENT

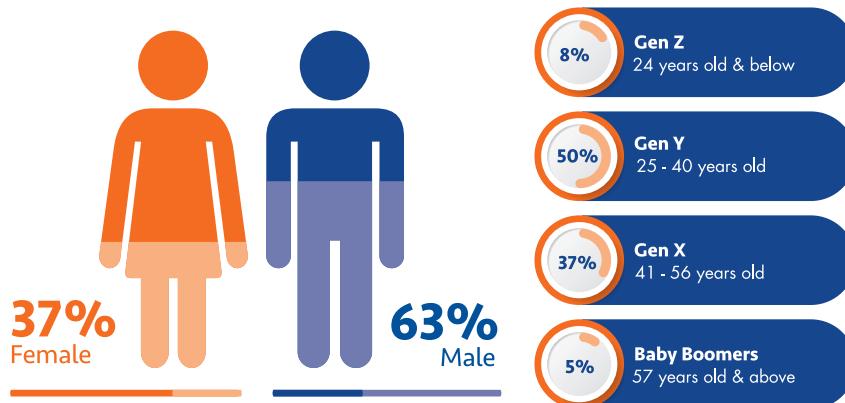
(continued)

Important to the Group and its stakeholders are the accuracy, transparency and timeliness of financial reporting to assist in efficient decision making. The Group reports its financial performance on a consolidated basis. It engages its stakeholders regularly through quarterly results announcements and investor updates to keep our shareholders and the investment community updated. The Group's financial and operational information can be found on our website, www.cih.com.my.

Employee

The Group recognises its employees as its greatest assets being a major contributor towards achieving the Group's vision. Consistent with Malaysia Employment Act 1955 and their collective agreements, the Group prioritises employees' welfare and personal development by providing all employees with a rewarding, healthy, safe, and fair workplace. There are no breaches of these regulations for the current reporting year.

All potential candidates are provided equal employment opportunities to be part of the Group. The Group commits to upholding strong corporate values and we do not practice discrimination in gender, age, race, religion, culture, or nationality in our recruitment process. An inclusive workplace is where we acknowledge and respect diversity. We are committed in creating an inclusive environment where everyone belongs, is valued and is respected. Together we deliver greater outcomes in growing holistically to evolve into a bigger, more dynamic organization. Chart below shows:



The Group offers their employees a range of benefits. These include an inclusive workplace as well as competitive salaries alongside benefit packages. Having an employee retention strategy plays a vital role in both attracting and retaining key employees, as well as in reducing turnover especially in local general workers, resulting in disruption of operations, loss of productivity, and increases in production costs.

The earlier pandemic had severely impacted many industries in the country with the outbreak of new variants with many companies implementing cost saving measures including but not limited to salary reductions, no-pay leave, job cuts, or other drastic measures. However, the Group is proud to announce that we are committed to protect the employees' future by paying their total take-home salaries, annual bonuses and salary increments without delay, with no pay cuts whilst not resorting to any employee lay-offs.

This has been consistently demonstrated with excellent cooperation and teamwork between management and employees. As anxiety about the future intensified, the group fosters to maintain high employee morale during such challenging times. It is important to remember that the Group assured job security to all its employees.

Local Community

Making a proactive contribution to our communities and wider society has always been fundamental to the Group and the way we do business. We are a socially aware organisation, continually looking to create shared values including improving the quality and wellbeing of society. This is embedded within our core values, identity, and culture. Initiatives include sponsorship programs, philanthropic activity and donation campaigns.

To us, a responsible firm creates positive impact on local community. Year after year, we are dedicated to contributing to society in the best possible way. We are constantly seeking ways to improve and deepen the impacts of our corporate social responsibility, across all aspects of our business. We care about the general welfare of the community; this includes promoting water conservation and proper disposal of industrial waste into common drainage to preserve the surrounding environment.

The Group fulfil its responsibilities to the local community through corporate giving initiatives. We are committed to supporting our community, making positive contributions through our donations. In January and March 2022, via our Edible Oil Products Division, we donated 10,087 bottles of 1-liter cooking oil to Taman Maluri community hall in conjunction with the "Bantuan Prihatin Titiwangsa" programme.

SUSTAINABILITY STATEMENT

(continued)

Our commitment to creating a positive impact begins with commitment to driving societal impact through contributing to a sustainable and prosperous future for our local community. Many charities and not for profit ("NFP") organisations face challenges associated with funding. Yayasan Bena Nusa, who have been actively assisting the poverty-stricken communities since 2011 and particularly so during this tough pandemic/endemic time received a combined total of RM255,000 donations in April 2022. Of the RM255,000 donation, RM250,000 was given to the poor and underprivileged area while the remaining RM5,000 was channelled to distribute warm cooked Iftar (Breaking fast) meals to individuals, who rely on Iftar food donations to break their fast during the month of Ramadhan.

This past year has been uniquely challenging and as our Group, people and community emerge, we are committed to building a better normal. In April 2022, RM10,000 was donated to Yayasan Ehsan Seputeh to help provide immediate relief to 150 individuals impacted by the COVID-19 pandemic.

Conclusion

The Group aspires to be a responsible corporation that contributes towards the nation's agenda for sustainable development. Our enthusiasm and commitment have enabled us to progress forward this year and we will continue to embed sustainability into our business strategy, making it inherent within our Group's culture.

As we further align our decisions and policies, we will be better equipped to meet the challenges of today and those of the future. We are confident that our people, processes and values will meet these demands, and that we will deliver beyond expectations in the coming years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the "Board") of C.I. Holdings Berhad ("CIH" or "the Company") is committed in ensuring that the Company and its subsidiaries (the "Group") practise a high standard of corporate governance in discharging its responsibilities to enhance shareholders' value and financial position of the Group.

The Board continues to review its existing corporate governance practices and policies throughout the Group in ensuring full application of key corporate governance principles as set out in the Malaysian Code on Corporate Governance 2021 ("MCCG").

This statement which is made pursuant to paragraph 15.25 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), sets out the manner in which the Group has applied the principles and recommendations of MCCG. It must be read together with the Corporate Governance Report published on CIH's website at www.cih.com.my.

Principle A : Board Leadership And Effectiveness

I. Board Responsibilities

The Board is cognizant of its responsibilities by ensuring proper control of the economics and financial management of the Company and validates the strategic directions proposed by the Management for implementation.

The Board acts in the best interests of CIH, honestly, fairly and diligently and in accordance with the duties and obligations imposed upon it by Constitution of the Company and the law.

The Board also serves as a panel to provide effective guidance on the assessment of principal risks and the appropriate systems to manage these risks, as well as to review the adequacy and integrity of the Company's internal control system in safeguarding shareholder interests and the Company's assets.

The Board's role and responsibilities include but are not limited to the following:

- Setting and reviewing the objectives, goals and strategic plans for the Group with a view to maximising shareholders' value.
- Adopting and monitoring progress of the Company's strategies, budgets, plans and policies.
- Overseeing the conduct of the Group's businesses to evaluate whether the businesses are properly managed.
- Identifying principal risks of the Group and ensuring the implementation of appropriate systems to mitigate and manage these risks.
- Considering Management's recommendations on key issues including acquisitions, divestments, restructuring, funding and significant capital expenditure.
- Implementing succession planning for senior management.
- Reviewing the adequacy and integrity of the Group's internal control systems and management information systems.

To ensure the effective discharge of its functions and responsibilities, the Board has in place, business authority limits which sets out relevant matters which the Board has delegated to the Management Team led by the Group Managing Director ("GMD"). These authority limits are reviewed and revised as and when required, to ensure an optimum structure for efficient and effective decision-making in the Group.

There is a schedule of matters reserved specifically for the Board's decision, including the conflict of interest issues relating to a substantial shareholder or a Director, material acquisitions and disposition of assets not in the ordinary course of business, investments in Capital projects, authority levels, treasury policies, risk management policies as well as key human resource issues. The Executive Directors and the Management are tasked to ensure compliance with this. These authority limits are reviewed and revised as and when required, to ensure an optimum structure for efficient and effective decision-making in the Group. The Business Authority Limits for all the subsidiaries were last reviewed and updated on 21 September 2016 with the approval from the Board.

It is also the Directors' responsibility to declare to the Board whether they have any potential or actual conflict of interest in any transactions or in any contract or proposed contract with the Company or any of its related companies. Where issues involve conflict of interest, the Directors will abstain from discussion and voting on the matters as well as abstain from any other decision making process in relation to these transactions.

The Board delegates certain responsibilities to the Board Committees, all of which operate within defined terms of reference.

The roles of the Chairman and GMD remain separate and distinct. The Chairman plays an important leadership role and is responsible for:

- Leading the Board in setting the values and standards of the Company;
- Maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
- Ensuring the provision of accurate, timely and clear information to Directors;
- Ensuring effective communication with shareholders and relevant stakeholders;
- Arranging regular evaluation of the performance of the Board, its Committees and individual Directors; and
- Facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

The Chairman, in consultation with the GMD and the Company Secretaries, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda. He ensures that all Directors are properly briefed on issues arising at Board meetings, sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion, the issues discussed are forward looking and concentrates on strategy, every Board resolution is put to vote to ensure the will of the majority prevails and that all Executive Directors look beyond their executive functions and accept their full share of responsibilities on governance.

The Company is committed to the highest standards of ethics and business conduct and has set in place a Code of Conduct which governs employees conduct and behaviour in carrying out their duties and responsibilities in the day-to-day business operations. The Code of Conduct outlines minimum standards expected of employees in dealing with conflicts of interest, supplier relationships, interests in competitors, external businesses or activities, transactions with the Company, use of the Company's property or information, disclosure of information, personal or romantic relationships, laws and regulations, condonation, business records, illegal or questionable payments and supplier obligations.

The Board Charter was last revised and updated on 23 August 2022 to be in line with MCCG and Listing Requirements, sets out inter alia, the roles and responsibilities of the Board and Board Committees, the procedures for convening Board meetings, financial reporting, investor relations and shareholder communication. The Charter which serves as a source of reference for Directors, will be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Charter includes a standalone Fit and Proper Policy which had been put in place to be in line with the Listing Requirements.

The Board Charter and Fit and Proper Policy are made available for reference at the Company's website at www.cih.com.my/investor-relations/corporate-governance.

An Employee Handbook, which was adopted by the Group includes the Employee's Code of Conduct and Whistleblowing Policy, which is intended to cover protection for staff who raise concerns in relation to irregular and unlawful practices.

In addition to the Code of Conduct, a Whistle Blowing Policy has been put in place. The existence of the whistle blower policy provides a mechanism and offers protection for employees to report matters such as financial malpractice or impropriety or fraud, failure to comply with legal obligations or statutes, dangers to health and safety or the environment, criminal activity, improper conduct or unethical behaviour or any attempts to conceal any of the above. The protection of the employee who report breaches and non-compliances is in line with the Public Interest Disclosure Act which came into effect in 1999. The policy is disseminated to subsidiaries and is available for access by employees.

This policy is designed to enable employees of the Company to raise concerns internally and at a high level and to disclose information which the individual believes shows malpractice or impropriety. This policy is intended to cover concerns which are in the public interest and may at least initially be investigated separately but might then lead to the invocation of other procedures e.g. disciplinary. These concerns could include:

- Financial malpractice or impropriety or fraud
- Failure to comply with a legal obligation or Statutes
- Dangers to Health and safety or the environment
- Criminal activity
- Improper conduct or unethical behaviour
- Attempts to conceal any of these

The employees are guided by the Whistleblowing Policy when relying any information in relation to the abovementioned in writing to designated persons stated in the said policy. Upon receipt of report made together with available evidence, the investigator is tasked to investigate and take all reasonable steps to ensure that investigations regarding the report and disclosure are carried out fairly, unbiased and with due regards to the principles of nature justice. The investigator will report the outcome of the investigation to the GMD or Chairman.

In addition, subsequent to the introduction of Corporate Liability Provision for bribery and corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"), the Board has in 28 May 2020 approved the adoption of the Anti-Bribery and Corruption ("ABC") Policy which sets out the policies and procedures towards compliance with the MACC Act. The ABC Policy will be reviewed periodically to assess its effectiveness, and in any event, at least once every three (3) years.

The details of the ABC Policy and Whistleblowing Policy are available on the Company's website at www.cih.com.my/investor-relations/corporate-governance.

The Board members have full access to the two (2) Companies Secretaries, both are professionally qualified, who play an advisory role to the Board in relation to the Company's Constitution, Board's policies and procedures as well as compliance with the relevant guidelines, regulatory and statutory requirements, corporate governance and best practices.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(continued)

The Company Secretaries are also responsible in organising and attending all Board and Committee Meetings, ensuring adherence to board policies and procedures and that all statutory records are well maintained at the registered office of the Company. The Company Secretaries also ensures that the deliberations and decisions made at the Board and Committee Meetings are well captured and minuted.

II. Board Composition

CIH is led and managed by a competent Board comprising members with vast experience in the fields relevant to the Company. The breadth and depth of the Board skills are vital for the successful stewardship of CIH's strategic direction and operations to maximise shareholder value. Besides having an extensive knowledge and expertise in the real estate investment and property development, the Board possesses a good mix of skills in business strategies, management, finance, economics, legal and human resources.

As at 30 June 2022, the Board has ten (10) members, comprising one (1) Executive Director and nine (9) Non-Executive Directors, of which four (4) of the Non-Executive Directors are Independent Directors, four (4) are Non-Independent Non-Executive Directors and one (1) Alternate Director. This complies with the Listing Requirements of at least two (2) or one-third (1/3) of the Board to be independent.

During the financial year ended 30 June 2022, six (6) Board meetings were held to review the Group's operations, to approve the quarterly financial results, 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	Designation	No. of Board Meetings Attended
Datuk Seri Johari Bin Abdul Ghani	Chairman, Non-Independent Non-Executive Director	6/6
Megat Joha Bin Megat Abdul Rahman	Group Managing Director	6/6
Datin Mariam Prudence Binti Yusof	Non-Independent Non-Executive Director	6/6
Lee Cheang Mei	Non-Independent Non-Executive Director	6/6
Dato' Sukumaran s/o Ramasamy	Non-Independent Non-Executive Director	6/6
Nor Hishammuddin Bin Dato' Mohd Nordin	Senior Independent Non-Executive Director	6/6
Teh Bee Tein	Independent Non-Executive Director	6/6
Kasinathan a/l Tulasi	Independent Non-Executive Director	6/6
Datuk Haji Ariffin Bin Imat	Independent Non-Executive Director	4/6
Fung Heen Choon (Alternate Director to Lee Cheang Mei)	Non-Independent Non-Executive Director	6/6

The Independent Directors provide independent judgment, objectivity and check and balance on the Board. This is to protect the interests of shareholders, employees, various other stakeholders and the communities where the Company operates.

The Board takes cognisance of the recommendation to have gender diversity on the Board and will through its Nomination Committee ("NC") take steps to ensure that women candidates are sought as part of its recruitment exercise. Currently, the Company has three (3) women directors achieving its target of at least 30% of women participation on the Board.

In maintaining the effectiveness of the Board and the independence of Independent Directors, the Board through its NC performs annual assessment in order to review that the Board as a whole and to ensure that individual director performed effectively in discharging their functions and duties as well as to mitigate risks arising from conflict of interests or undue influence affecting their independence. The assessment is conducted via the Assessment Sheet for each of the Board and the Independent Directors of the Company. The assessment on independence serves as a form of attestation by the Independent Directors that they are able to exercise independent judgment, impartiality and objectivity in the best interest of the Company.

In determining the succession planning for the members of the Board, the NC ensures that each nominated candidate has comprehensive job description covering experience, qualifications and core competencies required of a director and taking into account the existing skills and expertise of the Board and the anticipated time commitment required before recommending the appointment as Director to the Board for approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

Succession planning for the GMD, Executive Directors, Chief Executive Officer of the Group and key management personnel is deliberated on by the NC and thereafter makes necessary recommendation to the Board for their consideration and approval.

Whilst succession planning for other Senior Management positions is determined by a structured process led by the Human Resource Department and endorsed by the GMD of the Company, Executive Directors and/or Chief Executive Officer of the subsidiaries.

The Board, with the support from Company Secretaries would assessed the training needs of each director. The Directors of the Company attended and participated in various trainings, seminars and forums organised either externally or internally by the Company in areas of finance, tax, accounting and regulatory updates. Members of the Board constantly, on their own initiatives update themselves on the development of the aforesaid by way of reading related literatures and publications on the same.

Some of the development and training programmes attended by Directors for the financial year ended 30 June 2022 were as follows:

Directors	Training Programme	Organiser	Date
Datuk Seri Johari Bin Abdul Ghani	Environment, Social and Governance (ESG) - Terminology, Principles and Structure.	In-house	29 March 2022
	MIA Conference 2022: - Leading ESG, Charting Sustainability.	Malaysian Institution of Accountants ("MIA")	8-9 June 2022
Megat Joha Bin Megat Abdul Rahman	BDO Tax Budget Webinar 2021.	BDO Tax Services Sdn Bhd	10 November 2021
	SC's Audit Oversight Board ("AOB") Conversation with Audit Committees.	Securities Commission ("SC")	6 December 2021
Datin Mariam Prudence Binti Yusof	Environment, Social and Governance (ESG) - Terminology, Principles and Structure.	In-house	29 March 2022
	MFT104: AMLA-Risk-Based Approach (RBA) for the Purpose of Anti-Money Laundering and Countering the Financing of Terrorism.	CHK Consultancy Sdn Bhd ("CHK")	11 August 2021
Dato' Sukumaran s/o Ramasamy	MFT003: How 5G Going to Change the World.	CHK	20 August 2021
	Technical Training Program of Palm Oil Usage in Food - Quality, Food Safety and Nutrition.	Malaysia Palm Oil Board ("MPOB")	7-8 June 2022
Nor Hishammuddin Bin Mohd Nordin	MSWG Webinar: Practical Forensics Investigation.	Minority Shareholders Watch Group ("MSWG")	30 June 2022
Teh Bee Tein	SC's Audit Oversight Board ("AOB") Conversation with Audit Committees	SC	7 April 2022
	MIA Conference 2022: - Leading ESG, Charting Sustainability.	MIA	8-9 June 2022

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

Directors	Training Programme	Organiser	Date
Kasinathan a/l Tulasi	MIRA Webinar: - SC Guidelines on Conduct of Directors and Implications to both the Directors and Management.	Malaysian Investor Relations Association Berhad ("MIRA")	23 September 2021
	Environment, Social and Governance (ESG) - Terminology, Principles and Structure.	In-house	29 March 2022
Datuk Haji Ariffin Bin Imat	MIRA Webinar: - SC Guidelines on Conduct of Directors and Implications to both the Directors and Management.	MIRA	23 September 2022
Lee Cheang Mei	Technical Training Program of Palm Oil Usage in Food - Quality, Food Safety and Nutrition.	MPOB	8 June 2022

III. Remuneration

The Board believes in a competitive and transparent remuneration framework that supports the Directors' and Senior Management's responsibilities and fiduciary duties in managing the Group to achieve its long term objective and enhance stakeholders' value.

The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to govern the Group effectively. In the case of Executive Directors, the remuneration is structured to link rewards to corporate and individual performance based on key performance indicators. For Non-Executive Directors, the level of remuneration reflects their experience and level of responsibilities.

Non-Executive Directors

Name	Salary/Fees (RM'000)	Bonus (RM'000)	Defined Contribution Plan – EPF (RM'000)	Other Emoluments/ Allowances (RM'000)	Benefits In-Kind (RM'000)	Total (RM'000)
Datuk Seri Johari Bin Abdul Ghani	50	-	-	2298	1	2349
Datin Mariam Prudence Binti Yusof	35	-	-	12	-	47
Teh Bee Tein	35	-	-	37	1	73
Nor Hishammuddin Bin Dato' Mohd Nordin	35	-	-	32	-	67
Kasinathan a/l Tulasi	35	-	-	22	-	57
Datuk Haji Ariffin Bin Imat	35	-	-	12	-	47
Total	225	-	-	2413	2	2640

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

Executive Directors

Name	Salary/Fees (RM'000)	Bonus (RM'000)	Defined Contribution Plan – EPF ¹ (RM'000)	Other Emoluments/ Allowances (RM'000)	Benefits In-Kind (RM'000)	Total (RM'000)
Megat Joha Bin Megat Abdul Rahman	876	204	122	50	32	1,284
Lee Cheang Mei	750	175	86	-	32	1,043
Fung Heen Choon	750	175	86	-	21	1,032
Dato' Sukumaran s/o Ramasamy	2,474	5,534	305	-	-	8,313
Total	4,850	6,088	599	50	85	11,672

¹ Inclusive of Company's contribution to employee provident fund and social security organisation contribution.

² Bonus for the financial year ended 30 June 2022 inclusive of employee provident fund.

* Ms. Lee Cheang Mei, Mr. Fung Heen Choon and Dato' Sukumaran s/o Ramasamy are executive directors of the subsidiaries and their remuneration are paid out of such subsidiaries.

The remuneration (including salary, bonus, allowances, benefits-in-kind and other emoluments) of top five (5) key Senior Management personnel on a named basis during the financial year in bands of RM50,000 are set out below:-

Range of Remuneration	Key Senior Management
RM600,000 – RM650,000	Baharuddin Bin Basirun (Chief Operating Officer of Continental Resources Sdn Bhd)
RM550,000 – RM600,000	Azlan Bin Ahmad (Head-Corporate and Legal Affairs)
RM500,000 – RM550,000	Azril Akmar Bin Attan Akmar (Chief Executive Officer of Continental Resources Sdn Bhd)
RM450,000 – RM500,000	Chaw Pei Yee (Senior Manager-Finance and Administration)
RM300,000 – RM350,000	Foo Loke Yean (Chief Executive Officer of Doe Industries Sdn Bhd)

The disclosures on Practise 7.1 to 7.3 and 8.2 of the MCGG are disclosed in the Corporate Governance Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

Principle B : Effective Audit And Risk Management

I. Audit Committee

The Audit Committee ("AC") comprises three (3) members, all of whom are Non-Executive Directors and is chaired by and Independent Non-Executive Director. They are:-

Members	Designation
Teh Bee Tein (MIA 3454) <i>Independent Non-Executive Director</i>	Chairman
Nor Hishammuddin Bin Dato' Mohd Nordin <i>Senior Independent Non-Executive Director</i>	Member
Kasinathan a/l Tulasi <i>Independent Non-Executive Director</i>	Member

The role of the AC is to support the Board in overseeing the processes for production of the financial data, review the financial reports and the internal control of the Group.

The Chairman of the AC is not the Chairman of the Board ensuring that the impairment of objectivity of the Board's review of the AC findings and recommendations remain intact. The AC assesses the performance (including independence) and recommends to the Board annually the appointment or re-appointment of the External Auditors guided by the factors as prescribed under Paragraph 15.21 of the Listing Requirements of Bursa Securities. The External Auditors confirmed that they are and have been independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants. The Audit partner in-charge of a public listed company would be rotated (within the audit firm) every seven (7) years to ensure independence of audit.

The composition of the AC is reviewed by the NC annually and recommended to the Board for approval. In safeguarding an independent and effective AC whilst taking guidance from the MCCG, the membership for AC consists at least one (1) member who is financially literate and possesses appropriate level of expertise, experience and strong understanding of the Group's business.

The AC had met with the external auditors twice during the financial year ended 30 June 2022 without the presence of the Management to discuss any key areas or issues which require the attention of the AC and Board. All members of the AC undertake continuous professional development to keep themselves abreast with the relevant developments in accounting and auditing standards, practices and rules.

The Terms of Reference of AC sets out its rights, duties, responsibilities and criteria on the composition of AC, which includes former key audit partner of the Group to observe cooling-off period of at least two (2) years before being able to be appointed as member of AC.

The Board, with the recommendations of the AC, will ensure that all quarterly announcements and annual reports present a balanced and understandable assessment of the Group's financial position and prospect.

The detailed roles, functions, responsibilities and summary of work done by the AC during the financial year ended 30 June 2022 are as set out in the AC Report of this Annual Report.

II. Risk Management and Internal Control Framework

The Board understands that the ultimate responsibility for ensuring a sound internal control systems which provides reasonable assurance on the effectiveness and efficiency of the systems lies with the Board. The Group's internal control system is crafted to manage the risks to achieve Company's objectives aside from safeguarding the stakeholder's interest and the Group's asset.

The internal audit function of the Group is performed in-house and reports to the AC directly in order to ensure that the independence of the Internal Audit Department is preserved.

The details of the Risk Management and Internal Control Framework are set out in the Statement on Internal Control and Risk Management of the Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

III. Internal Audit

The internal audit function is performed in-house whose primary responsibility is to assure the Board, through the AC, that the internal control systems are functioning 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 systems and to identify opportunities for improvement in operational efficiency. The AC reports to the Board on its activities, significant audit results or findings and necessary recommendations or actions needed to be taken by management to rectify those issues.

The internal audit function adopts a risk-based approach and prepares its audit plans based on significant risks identified. The internal audit provides an assessment of the adequacy, efficiency and effectiveness of the Group's existing internal control policies and procedures and provides recommendations, if any, for the improvement of the control policies and procedures. The results of the audit reviews are presented and discussed during the AC meetings. Management is responsible for ensuring that the necessary corrective actions on reported weaknesses are taken within the required time frame. The action plans are reviewed and followed up by the internal audit function on a periodical basis to ensure the recommendations are effectively implemented.

The internal audit plan for each financial year will be approved by the AC and stipulates, amongst others, the internal auditors' role, scope and authority, organisation status and reporting structure, independence and objectivity and responsibilities.

The Board acknowledges that risk management is an integral part of good governance. Risk is inherent in all business activities. It is however, not the Group's objective to eliminate risk totally but to provide structural means to identify, prioritise and mitigate the risks involved in all the Group's activities and to balance between the cost and benefits of managing and treating risks, and the anticipated returns that will be derived therefrom.

Principle C : Integrity In Corporate Reporting And Meaningful Relationship With Stakeholders

I. Communication with Stakeholders

The Board acknowledges the need for shareholders to be informed of all material business matters of the Company. Announcements to Bursa Securities are made on significant developments and matters of the Group. Financial results are released on a quarterly basis to provide shareholders with a regular overview of the Group's performance. The Corporate Communication Department of the Company also arranges press interviews and briefings, and releases press announcements to provide information on the Group's business activities, performance and major developments, as and when necessary.

In addition to published annual report and quarterly results announced to Bursa Securities, the Company has a website at www.cih.com.my from which investors and shareholders can access for information about the Group. Any enquiries may be directed to this email address, info@cih.com.my.

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

II. Conduct of General Meetings

The Company's general meetings serve as a forum for dialogue and interaction with shareholders. Notice of the Annual General Meeting ("AGM") and Annual Report are sent to the shareholders at least 28 days before the date of the meeting. The Board has ensured each item of special business included in the notice of meeting is accompanied by an explanatory statement on the effects of the proposed resolution.

Notices of general meetings with sufficient information of business to be dealt with thereat are also published in one national newspaper to provide for wider dissemination of such notice to encourage shareholder participation. At the general meetings, shareholders have direct access to the Board and are encouraged to participate in the question and answer session.

Resolutions will be voted by way of poll as required under the Listing Requirements of Bursa Securities, and the Company will make an announcement on the detailed results to Bursa Securities.

In order to help the effort of the Government of Malaysia to curb the spread of coronavirus disease ("COVID-19") in year 2021, the Group had on 27 October 2021 successfully conducted its Forty-Third AGM entirely via remote participation and electronic voting. This is in accordance to Section 327 of the Companies Act 2016 and the Constitution of the Company which allows for General Meetings to be held using any technology or electronic means.

In facilitating greater participation by shareholders at AGMs of the Company, CIH will continue to explore possible means of leveraging the technology such as to conduct general meetings using electronic communication devices and appointment of proxy via electronic means as stated in the Company's Constitution.

This Corporate Governance Statement was approved by the Board of CIH on 23 August 2022.

AUDIT COMMITTEE REPORT

The Board of Directors ("the Board") is pleased to present the Audit Committee Report and its activities held throughout the financial year ended 30 June 2022 in compliance with Paragraph 15.15 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

1. Members Of The Audit Committee

The Audit Committee ("AC") currently comprises the following members, all of which are Independent Non-Executive Directors. In accordance with corporate governance best practice, the AC Chairman has the necessary accounting and finance qualification. A summary of their respective attendance at the AC meetings held during the financial year are as follows:-

Members	No. of Meetings Attended	Percentage (%)
Teh Bee Tein (MIA 3454) – Chairman <i>Independent Non-Executive Director</i>	5/5	100.0%
Nor Hishammuddin Bin Dato' Mohd Nordin – Member <i>Senior Independent Non-Executive Director</i>	5/5	100.0%
Kasinathan a/l Tulasi – Member <i>Independent Non-Executive Director</i>	5/5	100.0%

The AC held five (5) meetings during the financial year ended 30 June 2022. The Group Managing Director and the Head of Internal Audit attended the AC meetings upon invitation. Other senior management personnel of the Group also attended the meetings upon invitation by the AC, as and when necessary. The Company's external auditors attended three (3) 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 AC undertakes a continuing process of engagement with the senior executives of the Company and the Group as well as the external auditors so that the AC is kept up-to-date with all important issues affecting the Company and the Group.

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

The AC has the authority to examine specific issues and report to the Board with its 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 AC are aligned with the Listing Requirements of Bursa Securities, recommendations of the Malaysian Code on Corporate Governance 2021 ("MCCG") and relevant best practices. Necessary revisions will be made to the Terms of Reference to be in line with the amendments of the Listing Requirements of Bursa Securities.

The Terms of Reference of the AC was last reviewed and updated on 23 August 2022 and is made available on the Company's corporate website at www.cih.com.my/investor-relations/corporate-governance.

3. Activities Of The AC

In discharging its duties and responsibilities, the AC had undertaken the following activities and work during the year:-

Financial And Operations Review

(a) Reviewed the quarterly financial results and annual audited financial statements of the Company.

The AC is delegated with the responsibility to ensure that the Group's statutory accounts are fairly stated and conform to the relevant regulations and acceptable accounting standards.

The AC focuses particularly on changes in or implementation of major accounting policies, significant and other legal requirements before recommending them for approval by the Board for announcement to Bursa Securities.

In review of the annual audited financial statements, the AC had discussed with Management and the External Auditors the accounting principles and standards and the judgements of the items that may affect the financial statements as well as issues and reservation arising from the statutory audit.

(b) Reviewed the application of corporate governance principles and the extent of the Group's compliance with the recommendations set out in the MCCG in conjunction with the preparation of the Corporate Governance and Risk Management and Internal Control Statements.

AUDIT COMMITTEE REPORT

(continued)

- (c) Pursuant to Sections 131 and 132 of the Companies Act, 2016, a Company may only make a distribution to shareholders out of profits of the company if the company is solvent.

In this regard, the AC considered the quantum and cash flow impact of dividend payment. The AC reviewed the Statement of Assets and Liabilities as well as Cash Flow Statement to ensure that the Company meets the solvency requirements before the distribution of profits was recommended to the Board for approval.

- (d) Reviewed the Transparency Report 2020 by Messrs BDO PLT and noted that the requirements of the said report include (1) audit firm's legal and governance structure; (2) measures taken by the audit firm to uphold audit quality and manage risks; and (3) Audit Quality Indicators over a 3-year period.

The AC also took note that the assessment of the competence, audit quality and resource capacity of the external auditors in relation to the audit and the information presented in the Transparency Report should also be considered in guiding the decisions on the appointment and re-appointment of the external auditors as set out under Guidance 9.3 of MCCG 2021.

External Audit

- (a) Reviewed the independence status and performance of the External Auditors for the financial year ended 30 June 2021.

The AC carried out an annual assessment on the performance of External Auditors covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit fees of the External Auditors.

The AC also ensured that the Company obtained written assurance from the External Auditors confirming their independence throughout their term of engagement for the financial year.

Having satisfied with the independence, suitability and performance of Messrs BDO PLT, the AC recommended to the Board for approval of the re-appointment of Messrs BDO PLT as External Auditors for the ensuing financial year end of 30 June 2022 at its meeting held last year on 25 August 2021.

- (b) Discussed and considered the significant accounting adjustments and auditing issues arising from the interim audit as well as the final audit with the External Auditors.

During the year under review, the AC had two (2) independent meetings with the External Auditors without the presence of Management to discuss any problems/issues arising from the final audit and the assistance given by the employees during the course of audit by External Auditors. The AC was pleased to report that there was no significant matter of disagreement that arose between the External Auditors and Management.

- (c) Reviewed the External Auditors' audit plan for the financial year end of 30 June 2022, outlining the audit scope, methodology and timetable, audit materiality, areas of focus, fraud consideration and the risk of management override and also the new and revised auditors reporting standards.

- (d) Reviewed all non-audit services to be performed by the External Auditors to reinforce the independence and objectivity of the External Auditors.

Internal Audit

- (a) Reviewed the Internal Audit Reports and Follow-up Audit Reports on the Company and the Group during the financial year under review and the audit findings and recommendations to improve any weaknesses or non-compliance and the respective Management's responses thereto, particularly on the following:

- Edible Oils Stock Process Review.
- Edible Oils Margin Review.

Through the follow-up reports from Internal Auditors, the AC was able to ensure that the Management's action plan on outstanding issues and that all key risks and control weaknesses were properly addressed and implemented.

- (b) Reviewed and approved the Internal Audit Plan for financial year ended 30 June 2022 and Internal Audit Plan for financial year ending 30 June 2023 to ensure that the scope and coverage of the internal audit on the operations of the Group is adequate and comprehensive and that all the risk areas are audited annually.

Related Party Transactions

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

AUDIT COMMITTEE REPORT

(continued)

4. Internal Audit Function

The internal audit function of the Group is performed in-house and reports to the AC. The internal audit function acts independently on the activities and operations of other operating units. Its 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 2022 was RM495,500 (financial year ended 30 June 2021: RM489,000).

A summary of the internal audit cost is as follows:

Cost Category	RM ('000)	Percentage (%) of Total Cost
Manpower	474,320	95.73
Travelling (inclusive of accommodation)	21,180	4.27
Total	495,500	100.00

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 AC and the Board for further deliberation.

During the year under review, the AC had three (3) meetings with the Internal Auditors to discuss the Internal Audit Reports. During the internal audit process, there were no material internal control failures or significant issues discovered during the financial year under review.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1. Introduction

This Statement on Risk Management and Internal Control is made in accordance with paragraph 15.26 (b) of Bursa Malaysia Securities Berhad Listing Requirements and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, which requires Directors of listed companies to include a statement in their annual reports on the state of their risk management and internal controls.

The Board of Directors (the "Board") of C.I. Holdings Berhad is pleased to present the Statement on Risk Management and Internal Control of the Group for the financial year ended 30 June 2022.

2. 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 continuously ensures the adequacy and integrity of the overall internal control system for the Group.

There are two (2) committees at Board level that support the Board in its risk management and internal control responsibilities:

- Risk Management Committee ("RMC") which is tasked with overseeing the Group's risk management and compliance aspect of the Group; and
- Audit Committee ("AC") which is tasked with assessing the risk and internal control environment and overseeing financial reporting, including the internal and external audit.

These committees are empowered by clearly established and approved terms of references in the above-mentioned responsibilities. Accordingly, the Board is committed to the development and maintenance of an effective risk management framework and internal control system to safeguard the shareholders' investments and the Group's assets.

However, due to the limitations that are inherent in risk management framework and internal control system, the Board recognises that such systems are designed to manage rather than to eliminate the risk of failure to achieve the Group's business objectives and therefore, the system by its nature can only provide reasonable assurance but not absolute assurance against material misstatement, operational failures, loss or fraud. The concept of reasonable assurance recognises that the cost of control procedures should not exceed the expected benefits.

3. Risk Management

The Group has a formal risk management framework, which enables the management and the Board to share a common model for the effective communication and evaluation of all principal risks and controls. The Risk Framework covers a broad variety of risks, including but not limited to business continuity issues, governance issues, financial issues and operational issues.

The Risk Management Committee ("RMC") comprises seven (7) members, out of which three (3) are appointed representatives from the Board, two (2) of which are Independent Non-Executive Directors. The Chairman of the RMC is an Independent Non-Executive Director. The others are representatives from the various operating subsidiaries. The roles and responsibilities of the RMC include the following:

- (a) To formalise the Group's Risk Management Policy including objectives, strategy and scope of risk management activities as well as to ensure the strategy, framework and methodology have been implemented and consistently applied.
- (b) To ensure that a well-structured and systematic process exists for the comprehensive identification, assessment and management of risks faced by the Group.
- (c) To ensure that risk management process and culture are embedded throughout the Group.
- (d) To ensure that appropriate reporting and feedback are received from management and reporting to the Board on the Group's risk profile and any major changes to the risk profile.

A Risk Coordinator was appointed to administer the Risk Management Framework. Under the Risk Management Framework, risk identification is a line management responsibility, whereby an employee shall recognise and identify the risk arises to the Risk Owner who is a named individual accountable for all aspects of the risk including assessment, evaluation, monitoring and reporting. For each risk, we determine the risk source and subsequently determine the cause for each risk, then the consequence is ascertained and the risk is then classified into either controllable, preventive or inherent. Risk that has been identified and assessed is categorised broadly under one of the following categories:

- Governance
- Business
- Operational
- Information
- Financial

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(continued)

Risk assessment is an exercise of evaluating risk by considering the likelihood and impact in order to ascertain its relevance to the business and efficacy of current treatment. The Risk Owner is responsible for the assessment of risk exposure within the business operations which involves identifying the range of options for treating risk including accepting, mitigating, spreading, transferring, avoiding or monitoring the risk. Appropriate risk treatment plans are then prepared after assessing each option followed by implementation of those plans. All the above mentioned are recorded and updated in the Risk Register which is then used to develop a risk profile for each company.

The Risk Coordinator works in conjunction with the management of each subsidiary to work through the Risk Management Framework and updates the Risk Register. The results of this exercise are then reported to the RMC, which meets on a half yearly basis. The RMC reviews and discusses the risk profiles of the various subsidiaries, taking special note of any changes and developments, the existing controls, action plans in place to manage the risks and any further actions necessary. The RMC then reports to the Board on a half yearly basis.

In addition, the Group Managing Director and/or Executive Director conduct meetings with senior management of subsidiaries within the Group on a monthly basis. Amongst others, the key risks facing the respective subsidiaries are discussed and monitored

Furthermore, the Board has assigned to the Audit Committee the duty of reviewing and monitoring the effectiveness of the Group's internal control system, a critical element of effective risk management.

4. Internal Audit Function

The Group has an internal audit function whose primary responsibility is to assure the Board, through the Audit Committee, that the internal control systems are functioning 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 systems and to identify opportunities for improvement in operational efficiency. A comprehensive Audit Report is produced to highlight audit findings and provide recommendations to Management for comments and action. A follow-up audit would be carried out to monitor status of completion and compliance to agreed action plan. The Audit Committee reports to the Board on its activities, significant audit results or findings and necessary recommendations or actions needed to be taken by management to rectify those issues.

The Internal Auditors perform their tasks in accordance to International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors Malaysia, which apply and uphold the following principles and rules of conduct:

- Integrity
- Objectivity
- Confidentiality
- Competency

5. Other Key Elements Of Internal Control

The Board has put in place other internal control measures including:

- (a) An organisation structure with key responsibilities clearly defined for the Board, committees of the Board and the executive management of the Group's operating business units.
- (b) Authorisation limits established to provide a functional framework of authority for approving expenditures.
- (c) Monthly reporting of operating business unit's performance.
- (d) The Board's review of quarterly reports on each operating business unit.
- (e) The human resources function that coordinates the employees' training and development programmes as well as occupational health and safety programmes at all levels to enhance competency, work quality, ability and safety.
- (f) An enterprise business application software which incorporates several in-built system controls, where upgrades/updates are implemented when necessary, to assist the management in achieving various internal control objectives.
- (g) Data and internal technology policy such as E-mail & Internet Access Policy and System & Data Security Policy. In addition, the Group has also put in place a back-up system and disaster recovery plan.
- (h) The clear documentation and regular review of policies and procedures regulating financial and operating activities.
- (i) The comprehensive Employee Handbook and Code of Conduct is in place to ensure employees observe prescribed standard of business ethics when conducting themselves at work and in their relationship with external parties.
- (j) A Whistle Blowing Policy is in place to help ensure conformance to the guidelines set out in the Employee Handbook and Code of Conduct by enabling the employees of the Company to raise concerns in a responsible and effective manner. The Whistle Blowing Policy covers concerns such as; financial malpractice or impropriety or fraud, failure to comply with legal obligations or statutes, dangers to health and safety or the environment, criminal activity, improper conduct or unethical behaviour or any attempts to conceal any of the above. In addition, the policy outlines safeguards for the whistle blower including protection and confidentiality. Furthermore, the process for making a disclosure and the process of investigating an allegation are also outlined in the policy.
- (k) Task force unit had been established for specific activities such as disposal of old stocks and promotion of special range launches for Doe group of companies.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(continued)

- (l) Management of individual subsidiaries and business divisions are continuously assessing for risks within their business environment and formulate mitigating strategies and/or corrective actions to minimise risks.
- (m) An Anti-Bribery and Corruption ("ABC") Policy was implemented and made effective on 28 May 2020. This policy is implemented based on the "Guideline on Adequate Procedures" [Governance, Integrity and Anti-Corruption Centre (GIACC) Guideline]. The Guidelines, which were issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"), set out adequate procedures a commercial organisational needs to put in place as a defense to a corporate liability charge under the MACC Act.

CIH has adopted and tailored the ABC Policy based on the baseline practices, processes and procedures that the MACC has clustered the building blocks to having adequate procedures behind five principles:

T = Top Level Commitment
R = Risk Assessment
U = Undertake Control Measures
S = Systematic Review, Monitoring and Enforcement
T = Training and Communication

The Group's ABC Policy provides guidance to its personnel concerning methods in dealing with improper solicitation, bribery and other corrupt activities that may arise in its business affairs. This policy acts as a legal defense for the Group against any criminal liabilities in case of any corrupt practices of its employees and/or any person associated with the Group.

6. Conclusion

Based on the observations and reports provided to the Board for financial year under review, the Board is of the opinion that the risk management and internal control that is in place is adequate and effective to safeguard the interest of the Group's shareholders, their investments and the Group's assets.

During the financial year under review, there was no major breakdown in internal controls that caused any material loss. The Management has taken the necessary measure to improve the risk management and internal control system by continuously reviewing, monitoring and considering all risks faced by the Group to ensure that the risks are within acceptable levels within the Group's business objectives.

DIRECTORS' RESPONSIBILITY STATEMENT

For The Audited Financial Statements

The Directors are required by the Companies Act, 2016 ("CA") to prepare financial statements for each financial year which have been made out in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the CA in Malaysia and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Prepared financial statements on a going concern basis as the Directors have reasonable expectation, having made enquiries, that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

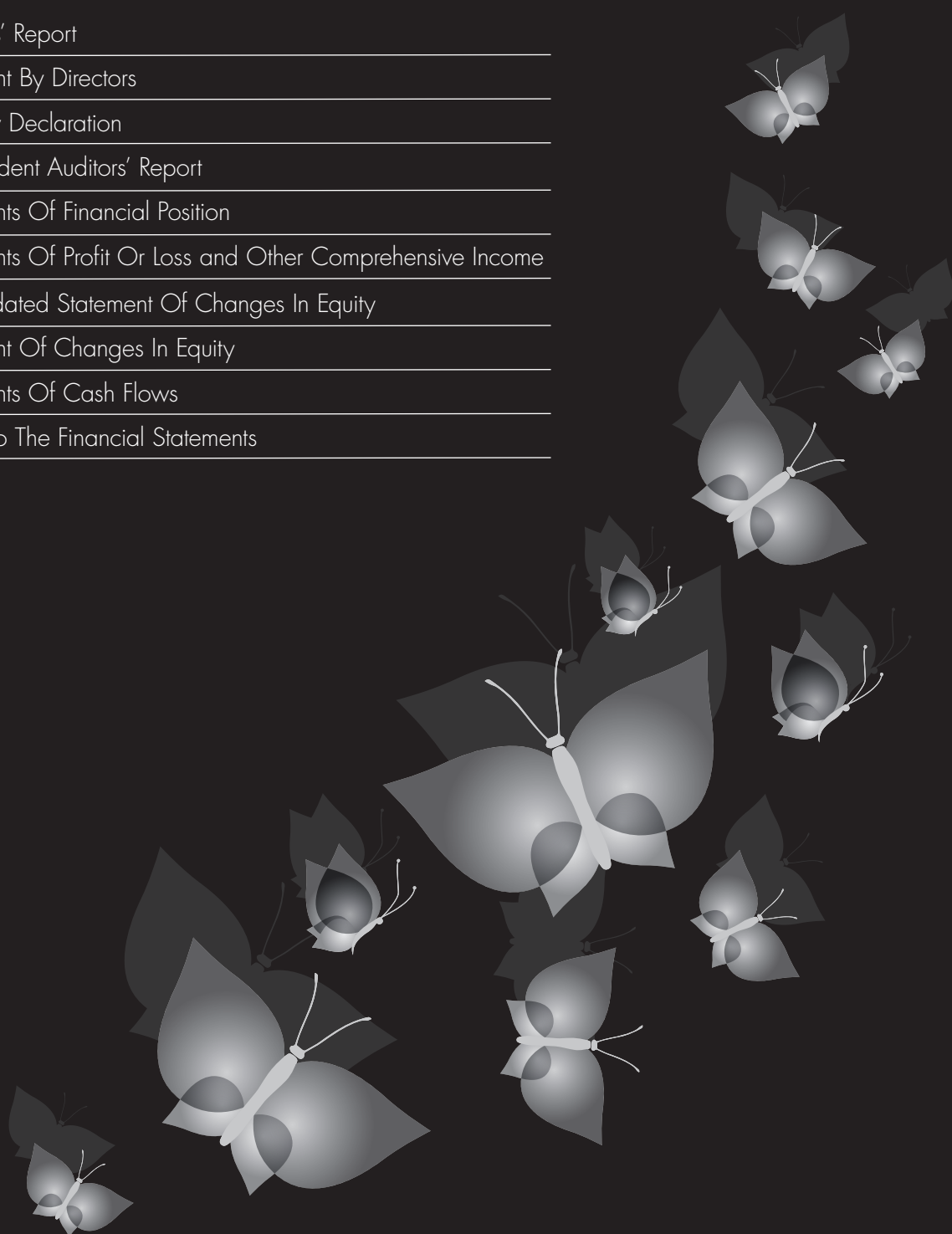
The Directors acknowledge the responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the CA and applicable approved accounting standards.

The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

Directors' Report And Audited Financial Statements

Contents

38	Directors' Report
42	Statement By Directors
42	Statutory Declaration
43	Independent Auditors' Report
46	Statements Of Financial Position
48	Statements Of Profit Or Loss and Other Comprehensive Income
49	Consolidated Statement Of Changes In Equity
50	Statement Of Changes In Equity
51	Statements Of Cash Flows
53	Notes To The Financial Statements



DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

Principal Activities

The principal activities of the Company are that of investment holding and the provision of management services to its subsidiaries. The principal activities and the details of the subsidiaries are set out in Note 8 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	119,360	47,223
Attributable to:		
Owners of the parent	66,487	47,223
Non-controlling interests	52,873	–
	<u>119,360</u>	<u>47,223</u>

Dividends

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

	Company RM'000
In respect of financial year ended 30 June 2021:	
Final dividend of 12.0 sen per ordinary share, paid on 11 November 2021	<u>19,440</u>

On 23 August 2022, the Board of Directors approved payment of a single tier dividend of 12.0 sen per ordinary share amounting to RM19,440,000. The financial statements for the current financial year do not reflect this dividend.

Reserves And Provisions

There were no material transfers to or from reserves or provisions during the financial year.

Issue Of Shares And Debentures

The Company did not issue any new shares or 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.

Directors

The Directors who have held office during the financial year and up to date of this report are as follows:

C.I. Holdings Berhad

Datuk Seri Johari Bin Abdul Ghani

Megat Joha Bin Megat Abdul Rahman

Datin Mariam Prudence Binti Yusof

Dato' Sukumaran s/o Ramasamy

Nor Hishammuddin Bin Dato' Mohd Nordin

Teh Bee Tein

Kasinathan a/l Tulasi

Datuk Haji Ariffin Bin Imat

Lee Cheang Mei

Fung Heen Choon (Alternate Director to Lee Cheang Mei)

DIRECTORS' REPORT

(continued)

Subsidiaries of C.I. Holdings Berhad (excluding those who are already listed above)

Amir Nashrin Bin Johari

Azlan Bin Ahmad

Azril Akmar Bin Attan Akmar (Appointed on 17 September 2021)

Chaw Pei Yee

Foo Loke Yean

Wong Lip Wai

Muhammad Razid Bin Sawall

Ramkrishna Ramier Sankara Raman

Directors' Interests

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2022 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares			Balance at 30.6.2022
	Balance at 1.7.2021	Bought	Sold	
Shares in the Company				
<u>Direct interests:</u>				
Megat Joha Bin Megat Abdul Rahman	1,000,000	–	–	1,000,000
Fung Heen Choon	10,557,900	–	–	10,557,900
Lee Cheang Mei	11,055,700	–	–	11,055,700
Dato' Sukumaran s/o Ramasamy	3,159,200	391,500	–	3,550,700
<u>Indirect interests:</u>				
Datuk Seri Johari Bin Abdul Ghani	53,400,000	–	–	53,400,000
Datin Mariam Prudence Binti Yusof	34,344,900	750,000	–	35,094,900
Teh Bee Tein	230,900	–	–	230,900
Shares in a subsidiary				
Palmtop Vegeoil Products Sdn. Bhd.				
<u>Direct interests:</u>				
Dato' Sukumaran s/o Ramasamy	2,475,000	–	–	2,475,000

By virtue of Section 8(4) of the Companies Act 2016 in Malaysia, Datuk Seri 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.

None of the other Directors holding office at the end of the financial year held any interest in ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT

(continued)

Directors' Benefits

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as 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 other than deemed benefits arising from related party transactions as disclosed in Note 30 to the financial statements and remuneration received by certain Directors as directors and officers of subsidiaries.

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 the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Remuneration

Fees and other benefits of the Directors who held for office during the financial year ended 30 June 2022 are as follows:

	Group RM'000	Company RM'000
Fees	375	225
Allowances	135	135
Salaries, bonus and other emoluments	13,118	1,070
Defined contribution plans	599	122
	<u>14,227</u>	<u>1,552</u>

Indemnity And Insurance For Directors, Officers And Auditors

The Group and the Company effected Directors' and Officers' liability insurance during the financial year to protect the Directors and the Officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and the Officers.

During the financial year, the total amount of indemnity coverage for the Directors and the Officers of the Group and of the Company was RM10,000,000.

There were no indemnity given to or insurance effected for the Auditors of the Group and of the Company during the financial year.

Other Statutory Information Regarding The Group And The Company

I. As At The End Of The Financial Year

- (a) Before the financial statements of the Group and of the Company were prepared, 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 had 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 other than debts, 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 amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; and
 - (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.

DIRECTORS' REPORT

(continued)

Other Statutory Information Regarding The Group And The Company (continued)

II. From The End Of The Financial Year To The Date Of This Report (continued)

(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 (12) months after the end of the financial year which would or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

III. As 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 this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

Significant Event During The Financial Year

The significant event during the financial year is disclosed in Note 33 to the financial statements.

Auditors

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' Remuneration

Auditors' remuneration of the Group and the Company for the financial year ended 30 June 2022 were as follows:

	Group RM'000	Company RM'000
Statutory audit	383	71
Other services	13	13
	<u>396</u>	<u>84</u>

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

.....
Datuk Seri Johari Bin Abdul Ghani

Director

Kuala Lumpur
14 September 2022

.....
Megat Joha Bin Megat Abdul Rahman

Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 46 to 98 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

.....
Datuk Seri Johari Bin Abdul Ghani
 Director

Kuala Lumpur
 14 September 2022

.....
Megat Joha Bin Megat Abdul Rahman
 Director

STATUTORY DECLARATION

I, Megat Joha Bin Megat Abdul Rahman, being the Director responsible for the financial management of C.I. Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 46 to 98 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 2022)

Megat Joha Bin Megat Abdul Rahman

Before me:
 Mardhiyyah Abdul Wahab (W729)
 Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To The Members Of C.I. Holdings Berhad (Incorporated In Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of C.I. Holdings Berhad, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 46 to 98.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of trade receivables

As at 30 June 2022, the carrying amount of trade receivables of the Group was RM608,926,000, as disclosed in Note 10 to the financial statements.

We determined this to be key audit matter because it requires management to exercise significant judgement in assessing expected credit losses, including determining the probability of default by trade receivables and appropriate forward-looking information.

Audit response

Our audit procedures performed included the following:

- (i) understand management's internal control and assessment process for impairment of trade receivables and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors associated with this accounting estimate;
- (ii) evaluated management's assessment and explanations on the individually significant trade receivables that were past due as at 30 June 2022 with reference to supporting evidence such as payment record of the customers; and
- (iii) evaluated the appropriateness of expected credit loss allowance including examining correlation coefficient between the macroeconomic indicators applied by the Group in calculating probability of default using historical data and forward-looking information adjustment.

We have determined that there are no key audit matters to communicate in our auditors' report in respect of the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance or conclusion thereon.

INDEPENDENT AUDITORS' REPORT

To The Members Of C.I. Holdings Berhad (Incorporated In Malaysia)

(continued)

Information Other than the Financial Statements and Auditors' Report Thereon (continued)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit 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 internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITORS' REPORT

To The Members Of C.I. Holdings Berhad (Incorporated In Malaysia)
(continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT

201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Rejeesh A/L Balasubramaniam

02895/08/2024 J
Chartered Accountant

Kuala Lumpur
14 September 2022

STATEMENTS OF FINANCIAL POSITION

As At 30 June 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	72,167	76,353	143	149
Right-of-use assets	6	15,450	18,791	1,032	1,615
Intangible assets	7	17,261	17,261	–	–
Investments in subsidiaries	8	–	–	54,500	54,500
Other investment	9	10	10	10	10
Trade and other receivables	10	–	–	–	2,151
		104,888	112,415	55,685	58,425
CURRENT ASSETS					
Trade and other receivables	10	667,618	466,190	535	1,594
Inventories	11	109,635	72,228	–	–
Derivative financial assets	12	19,368	6,844	–	–
Current tax assets		6,097	4,956	330	293
Cash and bank balances	13	241,868	187,309	107,453	76,817
		1,044,586	737,527	108,318	78,704
TOTAL ASSETS		1,149,474	849,942	164,003	137,129
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	14	95,147	95,147	95,147	95,147
Reserves	15	233,646	186,181	66,752	38,969
		328,793	281,328	161,899	134,116
Non-controlling interests	8(c)	85,596	74,146	–	–
TOTAL EQUITY		414,389	355,474	161,899	134,116

STATEMENTS OF FINANCIAL POSITION

As At 30 June 2022

(continued)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
LIABILITIES					
NON-CURRENT LIABILITIES					
Borrowings	16	1,942	4,996	–	–
Lease liabilities	6	4,555	5,690	465	1,047
Deferred tax liabilities	19	781	1,020	–	–
Retirement benefit obligations	20	223	578	–	–
		7,501	12,284	465	1,047
CURRENT LIABILITIES					
Trade and other payables	21	285,998	181,287	1,056	1,398
Derivative financial liabilities	12	36,674	2,848	–	–
Borrowings	16	401,957	295,180	–	–
Lease liabilities	6	1,592	1,959	583	568
Current tax liabilities		1,363	910	–	–
		727,584	482,184	1,639	1,966
TOTAL LIABILITIES		735,085	494,468	2,104	3,013
TOTAL EQUITY AND LIABILITIES		1,149,474	849,942	164,003	137,129

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 30 June 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	23	4,046,102	3,144,549	52,110	25,668
Cost of sales	24	(3,768,135)	(2,966,432)	–	–
Gross profit		277,967	178,117	52,110	25,668
Other operating income		3,019	27,905	1,665	1,408
Selling and distribution costs		(15,220)	(15,322)	–	–
Administrative expenses		(102,060)	(61,367)	(6,344)	(6,623)
(Impairment losses)/Reversal of impairment losses on financial assets, net		(34,706)	782	(41)	(45)
Other operating expenses		(103)	(2,242)	–	–
Finance costs		(5,132)	(6,796)	(45)	(59)
Profit before tax	25	123,765	121,077	47,345	20,349
Tax expense	26	(4,405)	(4,987)	(122)	(105)
Profit for the financial year		119,360	116,090	47,223	20,244
Other comprehensive income/(loss) , net of tax:					
Items that may be reclassified subsequently to profit or loss					
Gain/(Loss) on foreign currency translations		685	(168)	–	–
Total comprehensive income		120,045	115,922	47,223	20,244
Profit attributable to:					
Owners of the parent		66,487	69,966	47,223	20,244
Non-controlling interests		52,873	46,124	–	–
		119,360	116,090	47,223	20,244
Total comprehensive income attributable to:					
Owners of the parent		66,905	69,865	47,223	20,244
Non-controlling interests		53,140	46,057	–	–
		120,045	115,922	47,223	20,244
Earnings per ordinary share attributable to equity holders of the Company (sen):					
Basic	27	41.04	43.19		
Diluted	27	41.04	43.19		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2022

Group	Note	Share capital RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non- controlling interests RM'000	Total equity RM'000
As at 1 July 2021		95,147	55	186,126	281,328	74,146	355,474
Profit for the financial year		–	–	66,487	66,487	52,873	119,360
Other comprehensive income, net of tax		–	418	–	418	267	685
Total comprehensive income		–	418	66,487	66,905	53,140	120,045
Transactions with owners							
Dividend paid	28	–	–	(19,440)	(19,440)	–	(19,440)
Dividend paid to non-controlling interest of a subsidiary	8(d)	–	–	–	–	(41,690)	(41,690)
As at 30 June 2022		95,147	473	233,173	328,793	85,596	414,389
As at 1 July 2020		95,147	156	132,360	227,663	40,134	267,797
Profit for the financial year		–	–	69,966	69,966	46,124	116,090
Other comprehensive income, net of tax		–	(101)	–	(101)	(67)	(168)
Total comprehensive income		–	(101)	69,966	69,865	46,057	115,922
Transactions with owners							
Dividend paid	28	–	–	(16,200)	(16,200)	–	(16,200)
Dividend paid to non-controlling interest of a subsidiary	8(d)	–	–	–	–	(12,045)	(12,045)
As at 30 June 2021		95,147	55	186,126	281,328	74,146	355,474

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

STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2022

Company	Note	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
As at 1 July 2021		95,147	38,969	134,116
Profit for the financial year		–	47,223	47,223
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		–	47,223	47,223
Transaction with owners				
Dividend paid	28	–	(19,440)	(19,440)
As at 30 June 2022		95,147	66,752	161,899
As at 1 July 2020		95,147	34,925	130,072
Profit for the financial year		–	20,244	20,244
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		–	20,244	20,244
Transaction with owners				
Dividend paid	28	–	(16,200)	(16,200)
As at 30 June 2021		95,147	38,969	134,116

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

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 30 June 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash Flows From Operating Activities					
Profit before tax		123,765	121,077	47,345	20,349
Adjustments for:					
Bad debts written off		103	252	–	–
Depreciation of property, plant and equipment	5	9,202	8,888	38	25
Depreciation of right-of-use assets	6	3,595	4,406	583	582
Dividends income from a subsidiary	23	–	–	(48,510)	(22,068)
Fair value adjustments on derivative instruments	12	21,302	(15,517)	–	–
Impairment losses on:					
– trade and other receivables	10	34,989	12	–	–
– amounts owing by subsidiaries	10	–	–	44	45
Interest expense		5,132	6,796	45	59
Interest income		(1,673)	(1,555)	(1,653)	(1,407)
Inventories written off	11	–	5,086	–	–
(Gain)/Loss on disposal of:					
– property, plant and equipment		108	(334)	–	–
– right-of-use assets		–	(47)	–	–
Gain on termination of lease contracts		(3)	(1)	–	–
Property, plant and equipment written off	5	123	7	–	–
Provision for retirement benefit obligations	20	(355)	162	–	–
Reversal of impairment loss on trade and other receivables	10	(283)	(794)	–	–
Unrealised (gain)/loss on foreign exchange	25	1,527	(827)	–	–
Operating profit/(loss) before changes in working capital		197,532	127,611	(2,108)	(2,415)
Changes in working capital:					
Inventories		(37,407)	(18,728)	–	–
Trade and other receivables		(236,237)	(2,921)	19	(19)
Trade and other payables		105,396	42,172	(345)	303
Cash from/(used in) operations		29,284	148,134	(2,434)	(2,131)
Tax paid		(5,466)	(9,224)	(169)	(198)
Tax refunded		95	1,105	11	–
Contributions paid for retirement benefit	20	–	(122)	–	–
Net cash from/(used in) operating activities		23,913	139,893	(2,592)	(2,329)

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 30 June 2022

(continued)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash Flows From Investing Activities					
Repayments from subsidiaries, net		–	–	3,149	7,663
Dividend received from a subsidiary		–	–	48,510	22,068
(Placement)/Withdrawal of deposits with maturity periods of more than 3 months		(500)	500	(500)	500
Interest received		1,673	1,555	1,653	1,407
Proceeds from disposal of:					
– property, plant and equipment		(14)	334	–	–
– right-of-use assets		–	47	–	–
Purchase of:					
– property, plant and equipment	5	(4,530)	(7,874)	(32)	(128)
– right-of-use assets	6(c)	(486)	(199)	–	–
Net cash (used in)/from investing activities		(3,857)	(5,637)	52,780	31,510
Cash Flows From Financing Activities					
Dividends paid to shareholders		(19,440)	(16,200)	(19,440)	(16,200)
Dividends paid to non-controlling interests in a subsidiary		(41,690)	(12,045)	–	–
(Repayments)/Drawdowns of borrowings:					
– bankers' acceptances		(3,774)	(25,123)	–	–
– Islamic financing facilities		112,440	(44,580)	–	–
– term loans		(5,930)	(5,809)	–	–
Interest paid		(4,999)	(6,569)	(12)	(12)
Payments of lease liabilities		(2,091)	(2,925)	(600)	(604)
Net cash from/(used in) financing activities		34,516	(113,251)	(20,052)	(16,816)
Net increase in cash and cash equivalents		54,572	21,005	30,136	12,365
Effect of exchange rate changes on cash and cash equivalents		(513)	1,382	–	–
Cash and cash equivalents at beginning of financial year		172,809	150,422	62,317	49,952
Cash and cash equivalents at end of financial year	13(g)	226,868	172,809	92,453	62,317

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

1. Corporate Information

C.I. Holdings Berhad ("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 Suite A-11-1, Level 11, Hampshire Place Office, 157 Hampshire, No. 1, Jalan Mayang Sari, 50450 Kuala Lumpur.

The consolidated financial statements for the financial year ended 30 June 2022 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All financial information presented in RM has been 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 2022.

2. Principal Activities

The principal activities of the Company are that of investment holding and the provision of management services to its subsidiaries. The principal activities and the details of the subsidiaries are set out in Note 8 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 Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 34.1 to the financial statements.

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. Operating Segments

C.I. Holdings Berhad has arrived at three (3) reportable segments that are organised and managed separately according to the business segments, which requires different business and marketing strategies. The reportable segments are summarised as follows:

- | | |
|-------------------------------|---|
| 1. Edible oil | Selling, packing and marketing of all types of edible oil. |
| 2. Tap-ware and sanitary ware | Manufacture and trading of household fittings and appliances such as water taps, plumbing accessories and sanitary wares. |
| 3. Investment holding | Investment activities. |

Others mainly comprised subsidiaries that have ceased operations and remained inactive.

The Group evaluates performance on the basis of profit or loss from operations before tax not including non-recurring losses, such as restructuring costs and goodwill impairment.

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.

Segment assets exclude tax assets.

Segment liabilities exclude tax liabilities and retirement benefit obligations. Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (e.g. funding requirements).

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Details are provided in the reconciliations from segment assets and liabilities to the position of the Group.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

4. Operating Segments (continued)

2022	Edible oil RM'000	Tap-ware and sanitary ware RM'000	Investment holding RM'000	Others RM'000	Total RM'000
Revenue					
Total revenue	4,988,947	17,436	52,110	–	5,058,493
Inter-segment revenue	(960,270)	(11)	(52,110)	–	(1,012,391)
Revenue from external customers	4,028,677	17,425	–	–	4,046,102
Interest income	57	27	1,589	–	1,673
Finance costs	(5,048)	(40)	(44)	–	(5,132)
Net finance (expense)/income	(4,991)	(13)	1,545	–	(3,459)
Depreciation of property, plant and equipment	9,151	13	38	–	9,202
Depreciation of right-of-use assets	2,780	233	582	–	3,595
Segment profit/(loss) before tax	129,934	(1,429)	(5,224)	484	123,765
Other material non-cash items:					
– Fair value adjustment on derivative instruments	21,302	–	–	–	21,302
– Impairment losses on financial assets, net	34,787	(81)	–	–	34,706
Additions to non-current assets other than financial instruments and deferred tax assets	5,491	23	32	–	5,546
Segment assets	995,317	27,916	120,144	–	1,143,377
Segment liabilities	727,034	3,563	2,115	6	732,718

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022
(continued)

4. Operating Segments (continued)

2021	Edible oil RM'000	Tap-ware and sanitary ware RM'000	Investment holding RM'000	Others RM'000	Total RM'000
Revenue					
Total revenue	3,478,276	23,426	25,668	–	3,527,370
Inter-segment revenue	(357,125)	(28)	(25,668)	–	(382,821)
Revenue from external customers	3,121,151	23,398	–	–	3,144,549
Interest income	223	40	1,292	–	1,555
Finance costs	(6,664)	(73)	(59)	–	(6,796)
Net finance (expense)/income	(6,441)	(33)	1,233	–	(5,241)
Depreciation of property, plant and equipment	8,639	224	25	–	8,888
Depreciation of right-of-use assets	3,585	239	582	–	4,406
Segment profit/(loss) before tax	126,607	(323)	(5,193)	(14)	121,077
Other material non-cash items:					
– Fair value adjustment on derivative instruments	(15,517)	–	–	–	(15,517)
– Inventories written off	5,086	–	–	–	5,086
Additions to non-current assets other than financial instruments and deferred tax assets	15,219	6	129	–	15,354
Segment assets	725,117	29,753	90,116	–	844,986
Segment liabilities	485,602	3,323	3,029	6	491,960

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

4. Operating Segments (continued)

Reconciliations of reportable segment profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

	2022 RM'000	2021 RM'000
Profit for the year		
Total profit for reportable segments	123,765	121,077
Tax expense	(4,405)	(4,987)
Profit for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	<u>119,360</u>	<u>116,090</u>
Assets		
Total assets for reportable segments	1,143,377	844,986
Current tax assets	6,097	4,956
Assets of the Group	<u>1,149,474</u>	<u>849,942</u>
Liabilities		
Total liabilities for reportable segments	732,718	491,960
Deferred tax liabilities	781	1,020
Current tax liabilities	1,363	910
Retirement benefit obligations	223	578
Liabilities of the Group	<u>735,085</u>	<u>494,468</u>

(a) Geographical information

The manufacturing facilities and sales offices of the Group are based in Malaysia.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of customers.

	2022 RM'000	2021 RM'000
Revenue from external customers		
Malaysia	54,430	70,390
Africa	3,060,193	2,333,285
Asia	729,827	498,974
Other regions	201,652	241,900
	<u>4,046,102</u>	<u>3,144,549</u>

(b) There has been no single customer which contributed to revenue equal or more than 10% of the revenue of the Group.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

5. Property, Plant And Equipment

Group 2022	Balance as at 1 July 2021 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Reclassifications RM'000	Reclassification from right-of-use asset (Note 6) RM'000	Depreciation charge for the financial year RM'000	Foreign exchange movement RM'000	Balance as at 30 June 2022 RM'000
Carrying amount									
Buildings	25,486	-	-	-	-	-	(1,001)	-	24,485
Freehold land	15,199	-	-	-	-	-	-	-	15,199
Plant and machinery	23,758	198	(121)	(103)	574	719	(7,223)	-	17,802
Office furniture and equipment	1,170	159	(1)	(2)	32	-	(343)	1	1,016
Renovation	6,256	317	-	-	803	-	(538)	11	6,849
Motor vehicles	297	561	-	-	-	-	(97)	-	761
Construction-in-progress	4,187	3,295	-	(18)	(1,409)	-	-	-	6,055
	76,353	4,530	(122)	(123)	-	719	(9,202)	12	72,167

	At 30 June 2022		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Buildings	32,620	(8,135)	24,485
Freehold land	15,199	-	15,199
Plant and machinery	66,763	(48,961)	17,802
Office furniture and equipment	5,084	(4,068)	1,016
Renovation	10,789	(3,940)	6,849
Motor vehicles	1,567	(806)	761
Construction-in-progress	6,055	-	6,055
	138,077	(65,910)	72,167

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

5. Property, Plant And Equipment (continued)

Group 2021	Balance as at 1 July 2020 RM'000	Additions RM'000	Written off RM'000	Disposal RM'000	Reclassifications RM'000	Depreciation charge for the financial year RM'000	Foreign exchange movement RM'000	Balance as at 30 June 2021 RM'000
Carrying amount								
Buildings	25,593	636	–	–	248	(991)	–	25,486
Freehold land	15,199	–	–	–	–	–	–	15,199
Plant and machinery	24,104	2,350	–	–	4,180	(6,876)	–	23,758
Office furniture and equipment	1,147	417	(7)	*	100	(485)	(2)	1,170
Renovation	5,684	1,044	–	–	23	(496)	1	6,256
Motor vehicles	64	273	–	–	–	(40)	–	297
Construction-in-progress	5,584	3,154	–	–	(4,551)	–	–	4,187
	77,375	7,874	(7)	*	–	(8,888)	(1)	76,353

	As at 30 June 2021		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Buildings	32,620	(7,134)	25,486
Freehold land	15,199	–	15,199
Plant and machinery	63,493	(39,735)	23,758
Office furniture and equipment	4,980	(3,810)	1,170
Renovation	9,644	(3,388)	6,256
Motor vehicles	1,006	(709)	297
Construction-in-progress	4,187	–	4,187
	131,129	(54,776)	76,353

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

5. Property, Plant And Equipment (continued)

Company 2022	Balance as at 1 July 2021 RM'000	Additions RM'000	Disposal RM'000	Written off RM'000	Depreciation charge for the financial year RM'000	Balance as at 30 June 2022 RM'000
Carrying amount						
Office furniture and equipment	42	32	–	–	(20)	54
Renovation	104	–	–	–	(16)	88
Motor vehicles	3	–	–	–	(2)	1
	149	32	–	–	(38)	143

	As at 30 June 2022		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Office furniture and equipment	889	(835)	54
Renovation	522	(434)	88
Motor vehicles	9	(8)	1
	1,420	(1,277)	143

Company 2021	Balance as at 1 July 2020 RM'000	Additions RM'000	Disposal RM'000	Written off RM'000	Depreciation charge for the financial year RM'000	Balance as at 30 June 2021 RM'000
Carrying amount						
Office furniture and equipment	41	19	*	*	(18)	42
Renovation	–	109	–	–	(5)	104
Motor vehicles	5	–	–	–	(2)	3
	46	128	*	*	(25)	149

	As at 30 June 2021		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Office furniture and equipment	868	(826)	42
Renovation	522	(418)	104
Motor vehicles	9	(6)	3
	1,399	(1,250)	149

* Disposal and written off of property, plant and equipment with carrying amount less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

5. Property, Plant And Equipment (continued)

- (a) All items of property, plant and equipment are initially recorded at cost. After initial recognition, property, plant and equipment except for freehold land and construction-in-progress are stated at cost less any accumulated depreciation and accumulated impairment losses, if any.

Freehold land has unlimited useful life and is not depreciated. Construction-in-progress represents machinery and office equipment under installation and is stated at cost. Construction-in-progress is not depreciated until such time when the asset is ready for use.

Depreciation on other property, plant and equipment is calculated to write down the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the various business segments of the Group operates. The principal depreciation annual rates used are as follows:

Buildings	2% - 13%
Plant and machinery	2% - 25%
Office furniture and equipment	8% - 40%
Renovation	10% - 20%
Motor vehicles	20% - 25%

- (b) The carrying amounts of property, plant and equipment of the Group charged to licensed banks for banking facilities granted to certain subsidiaries at the end of the reporting period as disclosed in Note 16, Note 17 and Note 18 to the financial statements are as follows:

	Group	
	2022 RM'000	2021 RM'000
Buildings	17,094	17,537
Freehold land	15,199	15,199
Plant and machinery	6,376	6,376
	<u>38,669</u>	<u>39,112</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

6. Leases

The Group as a lessee

Right-of-use assets

Carrying amount	Balance as at 1 July 2021 RM'000	Additions RM'000	Termination of lease contract RM'000	Reclassification to property, plant and equipment (Note 5) RM'000	Depreciation charge for the financial year RM'000	Foreign exchange movement RM'000	Balance as at 30 June 2022 RM'000
Land	7,473	–	–	–	(489)	–	6,984
Buildings	7,815	–	–	–	(1,589)	12	6,238
Machineries	1,762	273	(97)	(719)	(968)	–	251
Office equipment	23	–	–	–	(7)	1	17
Motor vehicles	1,718	743	–	–	(542)	41	1,960
	18,791	1,016	(97)	(719)	(3,595)	54	15,450

Carrying amount	Balance as at 1 July 2020 RM'000	Additions RM'000	Termination of lease contract RM'000	Disposal RM'000	Reassessment and modification RM'000	Depreciation charge for the financial year RM'000	Foreign exchange movement RM'000	Balance as at 30 June 2021 RM'000
Land	7,962	–	–	–	–	(489)	–	7,473
Buildings	8,845	549	(8)	–	–	(1,573)	2	7,815
Machineries	3,037	407	–	–	34	(1,716)	–	1,762
Office equipment	1	27	–	–	–	(5)	–	23
Motor vehicles	1,859	497	–	*	–	(623)	(15)	1,718
	21,704	1,480	(8)	*	34	(4,406)	(13)	18,791

* Disposal of right-of-use assets with carrying amount less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

6. Leases (continued)

The Group as a lessee (continued)

Lease liabilities

Carrying amount	Balance as at 1 July 2021 RM'000	Additions RM'000	Termination of lease contract RM'000	Payments of lease liabilities RM'000	Accretion of interest RM'000	Foreign exchange movement RM'000	Balance as at 30 June 2022 RM'000
Buildings	5,458	–	–	(984)	61	13	4,548
Machineries	763	273	(100)	(699)	21	–	258
Office equipment	22	–	–	(7)	1	1	17
Motor vehicles	1,406	257	–	(401)	50	12	1,324
	7,649	530	(100)	(2,091)	133	26	6,147

Carrying amount	Balance as at 1 July 2020 RM'000	Additions RM'000	Termination of lease contract RM'000	Reassessment and modification RM'000	Payments of lease liabilities RM'000	Accretion of interest RM'000	Foreign exchange movement RM'000	Balance as at 30 June 2021 RM'000
Buildings	5,803	549	(9)	–	(954)	67	2	5,458
Machineries	1,664	407	–	34	(1,433)	91	–	763
Office equipment	–	27	–	–	(7)	1	1	22
Motor vehicles	1,580	298	–	–	(531)	68	(9)	1,406
	9,047	1,281	(9)	34	(2,925)	227	(6)	7,649

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

6. Leases (continued)

The Company as a lessee

Right-of-use assets

Carrying amount	Balance as at 1 July 2021 RM'000	Depreciation charge for the financial year RM'000	Balance as at 30 June 2022 RM'000
Buildings	1,385	(504)	881
Motor vehicles	230	(79)	151
	1,615	(583)	1,032

Carrying amount	Balance as at 1 July 2020 RM'000	Depreciation charge for the financial year RM'000	Balance as at 30 June 2021 RM'000
Buildings	1,888	(503)	1,385
Motor vehicles	309	(79)	230
	2,197	(582)	1,615

Lease liabilities

Carrying amount	Balance as at 1 July 2021 RM'000	Payments of lease liabilities RM'000	Accretion of interest RM'000	Balance as at 30 June 2022 RM'000
Buildings	1,416	(530)	26	912
Motor vehicles	199	(70)	7	136
	1,615	(600)	33	1,048

Carrying amount	Balance as at 1 July 2020 RM'000	Payments of lease liabilities RM'000	Accretion of interest RM'000	Balance as at 30 June 2021 RM'000
Buildings	1,910	(531)	37	1,416
Motor vehicles	262	(73)	10	199
	2,172	(604)	47	1,615

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Represented by:				
Current liabilities	1,592	1,959	583	568
Non-current liabilities	4,555	5,690	465	1,047
	6,147	7,649	1,048	1,615

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

6. Leases (continued)

- (a) The Group and the Company lease a number of land, buildings, machineries, office equipment and motor vehicles in the locations, which it operates with fixed periodic rent over the lease term. The Group has certain leases of office equipment and office buildings with lease term of 12 months or less, and low value leases of office equipment of RM20,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.
- (b) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on a straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Land	up to 99 years
Buildings	5 years
Machineries	2 to 5 years
Office equipment	5 years
Motor vehicles	5 to 7 years

- (c) During the financial year, the Group made the following cash payments to purchase of right-of-use assets:

	Group	
	2022 RM'000	2021 RM'000
Purchase of right-of-use assets	1,016	1,480
Financed by finance lease	(530)	(1,281)
Cash payments on purchase of right-of-use assets	486	199

- (d) Certain land of the Group with a carrying amount of RM2,018,000 (2021: RM2,045,000) have been charged as securities to banks for loans and borrowings granted to the Group as disclosed in Note 16 and Note 18 to the financial statements.

- (e) The following are the amounts recognised in profit or loss of the Group and of the Company:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Depreciation charge of right-of-use assets (included in cost of sales and administrative expenses)	3,595	4,406	583	582
Interest expense on lease liabilities (included in finance costs)	133	227	32	47
Expense relating to short-term leases (included in administrative expenses)	487	529	–	–
Expense relating to leases of low-value assets (included in administrative expenses)	21	17	–	–
Gain arising from termination of lease contracts (include in other income)	(3)	(1)	–	–
	4,233	5,178	615	629

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

6. Leases (continued)

- (f) The total cash flows of leases of the Group and of the Company during the financial year, including short term and low value assets leases amounted to RM2,599,000 and RM600,000 (2021: RM3,471,000 and RM604,000) respectively.
- (g) The following table summarises the incremental borrowing rate as at the end of the reporting date and remaining maturity profile of the lease liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscount repayment obligations as follows:

	Weighted average incremental borrowing rate per annum %	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	Over five (5) years RM'000	Total RM'000
Group					
30 June 2022					
Lease liabilities	3.93%	1,682	3,954	1,100	6,736
30 June 2021					
Lease liabilities	3.86%	2,093	3,775	2,420	8,288
Company					
30 June 2022					
Lease liabilities	2.28%	602	469	–	1,071
30 June 2021					
Lease liabilities	2.28%	602	1,071	–	1,673

- (h) Management exercises judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022
(continued)

7. Intangible Assets

Group 2022	Balance as at 1 July 2021 RM'000	Addition RM'000	Balance as at 30 June 2022 RM'000
Carrying amount			
Goodwill	11,242	–	11,242
Trademark	6,019	–	6,019
	17,261	–	17,261

	As at 30 June 2022		
	Cost RM'000	Accumulated impairment loss RM'000	Carrying amount RM'000
Goodwill	11,242	–	11,242
Trademark	6,019	–	6,019
	17,261	–	17,261

Group 2021	Balance as at 1 July 2020 RM'000	Addition RM'000	Balance as at 30 June 2021 RM'000
Carrying amount			
Goodwill	11,242	–	11,242
Trademark	19	6,000	6,019
	11,261	6,000	17,261

	As at 30 June 2021		
	Cost RM'000	Accumulated impairment loss RM'000	Carrying amount RM'000
Goodwill	11,242	–	11,242
Trademark	6,019	–	6,019
	17,261	–	17,261

(a) Goodwill

Goodwill is initially measured at cost. 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 could be impaired.

The recoverable amount of the goodwill associated with the acquisition of Continental Resources Sdn. Bhd. (the "cash generating unit" or "CGU") has been determined based on value in use calculations using a cash flow forecast and projections from financial budgets approved by management covering a five-year period and a terminal value. The pre-tax discount rate applied to the cash flow forecast and projections, the forecasted growth rates used to extrapolate cash flows for the five-year period, and the calculations of the value in use for the CGUs are most sensitive to the following assumptions:

(i) Growth rates

The forecasted average annual revenue growth rate from 2023 to 2027 is 2.0%. The average annual revenue growth rate used in 2021 was 3.0%.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

7. Intangible Assets (continued)

(a) Goodwill (continued)

(ii) Discount rates

The discount rate applied for cash flow discounting purposes is the pre-tax discount rate of the Group plus a reasonable premium at the date of the CGU. The discount rate applied on the cash flow projections is 8.9% (2021: 5.3%).

Management is not aware of any reasonably possible changes in the key assumptions that would cause the carrying amount of the CGU to materially exceed its recoverable amount.

Estimating the value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(b) Other intangible assets with indefinite useful life

Other intangible assets represent trademark and are recognised only when the identifiability, control and future economic benefits probability are met. Other intangible assets are initially measured at cost. After initial recognition, other intangible assets are measured at cost less accumulated impairment losses, if any. The useful life of the trademark is estimated to be indefinite. In the previous financial year, the settlement of the acquisition of the trademark from a customer of the Group was made via set off against amount owing by trade receivable.

The recoverable amount of the other intangible assets has been determined based on value in use calculations using a cash flow forecast and projections from financial budgets approved by management covering a seven-year period. The pre-tax discount rate applied to the cash flow forecast and projections, the forecasted growth rate used to extrapolate cash flows for the seven-year period, and the calculations of value in use for the CGUs are most sensitive to the following assumptions:

(i) Growth rate

The forecasted average annual revenue growth rate from 2023 to 2029 is 2.0%. The average annual revenue growth rate used in 2021 was 4.0%.

(ii) Discount rate

The pre-tax discount rate used was 8.9% (2021:4.3%).

8. Investments In Subsidiaries

	Company	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost	155,230	155,230
Less: Accumulated impairment losses	(100,730)	(100,730)
	54,500	54,500

(a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

8. Investments In Subsidiaries (continued)

(b) Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2022 %	2021 %	
Continental Resources Sdn. Bhd.	Malaysia	100	100	Selling, manufacturing and packing of edible oils
Doe Industries Sdn. Bhd.	Malaysia	100	100	Manufacture and selling of water taps, showers and other plumbing fittings
C.I. Building Industries Sdn. Bhd.	Malaysia	100	100	Investment holding
C.I. Engineering Sdn. Bhd.	Malaysia	100	100	Investment holding
C.I. Edible Oils Sdn Bhd (formerly known as C.I. Management Sdn. Bhd.)	Malaysia	100	100	Inactive
C.I. Construction Sdn. Bhd.	Malaysia	100	100	Inactive
C.I. Marketing Sdn. Bhd.	Malaysia	100	100	Inactive
C.I. Halla Environmental Technology Sdn. Bhd.	Malaysia	100	100	Inactive
Subsidiary of Continental Resources Sdn. Bhd.				
Palmtop Vegeoil Products Sdn. Bhd.	Malaysia	60	60	Selling and packing of edible oils
Subsidiaries of Palmtop Vegeoil Products Sdn. Bhd.				
PNC Oil Factory (Malaysia) Sdn. Bhd.	Malaysia	60	60	Selling and packing of edible oils
Continental Palms Pte. Ltd.*	Singapore	60	60	Selling and marketing of edible oils
Tradekey PT Foods Nigeria Limited*	Nigeria	60	60	Inactive
Cebon Pte Ltd*	Singapore	60	60	General wholesale trade, including general importers and exporters, and trading on various commodities
Palmtop FZE*	Dubai	60	60	Inactive
Subsidiaries of Doe Industries Sdn. Bhd.				
Doe Marketing Sdn. Bhd.	Malaysia	100	100	Dealership and distribution of household fittings and appliances
Potex Industries Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading of ceramic sanitary wares and related products
Elegant Flow Sdn. Bhd.	Malaysia	100	100	Trading of sanitary wares and related products

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

8. Investments In Subsidiaries (continued)

(b) Details of the subsidiaries are as follows (continued):

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2022 %	2021 %	
Subsidiary of C.I. Building Industries Sdn. Bhd.				
C.I. Quarries Sdn. Bhd.	Malaysia	100	100	Investment holding
Subsidiaries of C.I. Quarries Sdn. Bhd.				
Capital Aim Sdn. Bhd.	Malaysia	100	100	Investment holding
C.I. Damansara Quarry Sdn. Bhd.	Malaysia	–	65	Struck off
Subsidiary of Capital Aim Sdn. Bhd.				
C.I. Quarries (Nilai) Sdn. Bhd.	Malaysia	100	100	Inactive
Subsidiary of C.I. Engineering Sdn. Bhd.				
C.I. Auto Services Sdn. Bhd.	Malaysia	–	51	Struck off

* Subsidiary not audited by BDO PLT or member firms of BDO International.

(c) Subsidiaries of the Group that have material non-controlling interests ("NCI") are as follows:

	Palmtop Vegeoil Products Sdn. Bhd. and its subsidiaries RM'000		
2022			
NCI percentage of ownership interest and voting interest (%)			40%
Carrying amount of NCI			85,596
Profit/(Loss) allocated to NCI			52,873
Total comprehensive income allocated to NCI			53,140
	Palmtop Vegeoil Products Sdn. Bhd. and its subsidiaries RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
2021			
NCI percentage of ownership interest and voting interest (%)	40%		
Carrying amount of NCI	74,325	(179)	74,146
Profit/(Loss) allocated to NCI	46,127	(3)	46,124
Total comprehensive income allocated to NCI	46,060	(3)	46,057

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

8. Investments In Subsidiaries (continued)

(d) Summarised financial information before intra-group elimination of a subsidiary that has material NCI as at the end of each reporting period are as follows:

	Palmtop Vegeoil Products Sdn. Bhd. and its subsidiaries	
	2022 RM'000	2021 RM'000
Assets and liabilities		
Non-current assets	28,754	32,324
Current assets	794,038	510,645
Non-current liabilities	(1,080)	(1,229)
Current liabilities	(606,630)	(355,927)
Net assets	215,083	185,813
Results		
Revenue	3,823,471	2,519,908
Profit for the financial year	132,181	115,318
Total comprehensive income	132,850	115,151
Cash flows from operating activities	15,643	85,521
Cash flows used in investing activities	(2,054)	(1,774)
Cash flows from/(used in) financial activities	12,871	(75,696)
Net increase in cash and cash equivalents	26,460	8,051
Dividends paid to NCI	(41,690)	(12,045)

9. Other Investment

	Group and Company	
	2022 RM'000	2021 RM'000
Non-current		
Club membership	10	10

- (a) The club membership were classified as financial assets at fair value through profit or loss pursuant to MFRS 9 *Financial Instruments*.
- (b) The fair value of club membership of the Group and of the Company is categorised as Level 3 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (c) The club membership is held by the Company under a subsidiary Director's name.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

10. Trade And Other Receivables

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Other receivables				
Amounts due from subsidiaries	-	-	-	2,151
Current				
Trade receivables				
Trade receivables	644,890	448,194	-	-
Less: Impairment losses	(35,964)	(1,749)	-	-
	608,926	446,445	-	-
Other receivables				
Other receivables and deposits	5,961	7,027	222	222
Amounts due from subsidiaries	-	-	4,198	5,391
	5,961	7,027	4,420	5,613
Less: Impairment losses	(222)	-	(3,920)	(4,071)
	5,739	7,027	500	1,542
	614,665	453,472	500	1,542
Prepayments	52,953	12,718	35	52
	667,618	466,190	535	1,594

- (a) Trade and other receivables, excluding prepayments, are classified as financial assets measured at amortised cost.
- (b) The normal trade credit terms granted by the Group in respect of trade receivables ranged from 14 to 90 days (2021: 14 to 90 days) from the date of invoice. They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) Amounts owing by subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and payable in cash and cash equivalents, except for an amount owing by a subsidiary as at 30 June 2021 which amounted to RM2,483,000, which is unsecured, subject to fixed interest rate of nil (2021: 4.0%) per annum and payable in cash and cash equivalents, as follows:

	2022 RM'000	2021 RM'000
Non-current	-	1,815
Current	-	668
	-	2,483

The amounts due from subsidiaries under non-current are receivable after twelve (12) months. The carrying amounts of the non-current other receivables are reasonable approximation of their fair values due to the insignificant impact of discounting.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

10. Trade And Other Receivables (continued)

- (d) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted to reflect current and forward looking information on macroeconomic factors, which the Group has identified as crude palm oil price index, unemployment rate, inflation rate and gross domestic product ("GDP") of the countries which it sells its goods to be the most relevant factor, affecting the ability of the consumers to settle the receivables.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the consolidated statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectible, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

- (e) The loss allowance for trade receivables of the Group is determined as follows:

Group	Current RM'000	1 - 90 days past due RM'000	More than 90 days past due RM'000	Total RM'000
2022				
Expected loss rate	3.60%	7.65%	78.47%	
Gross carrying amount of trade receivables	484,066	152,059	8,765	644,890
Loss allowance	(17,450)	(11,636)	(6,878)	(35,964)
	<u>466,616</u>	<u>140,423</u>	<u>1,887</u>	<u>608,926</u>
2021				
Expected loss rate	0.17%	0.66%	14.07%	
Gross carrying amount of trade receivables	385,247	57,831	5,116	448,194
Loss allowance	(645)	(384)	(720)	(1,749)
	<u>384,602</u>	<u>57,447</u>	<u>4,396</u>	<u>446,445</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

10. Trade And Other Receivables (continued)

(f) The movements of the impairment loss for trade and other receivables at the end of each reporting period are as follows:

Group	Lifetime ECL allowance RM'000	Credit impaired RM'000	Total RM'000
Trade receivables			
As at 1 July 2021	1,264	485	1,749
Charge for the financial year	27,828	6,939	34,767
Reversal of impairment loss	(183)	(100)	(283)
Written off	–	(269)	(269)
As at 30 June 2022	28,909	7,055	35,964
As at 1 July 2020	2,003	765	2,768
Charge for the financial year	12	–	12
Reversal of impairment loss	(751)	(43)	(794)
Written off	–	(237)	(237)
As at 30 June 2021	1,264	485	1,749

Group	Lifetime ECL -not credit impaired RM'000	Lifetime ECL -credit impaired RM'000	Total RM'000
Other receivables and deposits			
As at 1 July 2021	*	–	–
Charge for the financial year	222	–	222
Written off	–	–	–
As at 30 June 2022	222	–	222
As at 1 July 2020	*	385	385
Charge for the financial year	*	–	*
Written off	–	(385)	(385)
As at 30 June 2021	*	–	–

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022
(continued)

10. Trade And Other Receivables (continued)

- (f) The movements of the impairment loss for trade and other receivables at the end of each reporting period are as follows (continued):

Company	Lifetime ECL -not credit impaired RM'000	Lifetime ECL -credit impaired RM'000	Total RM'000
Other receivables and deposits			
As at 1 July 2021	*	–	*
Charge for the financial year	*	–	*
As at 30 June 2022	*	–	*
As at 1 July 2020	*	–	*
Charge for the financial year	*	–	*
As at 30 June 2021	*	–	*
Amounts due from subsidiaries			
As at 1 July 2021	*	4,071	4,071
Charge for the financial year	*	(38)	(38)
Written off	–	(113)	(113)
As at 30 June 2022	–	3,920	3,920
As at 1 July 2020	*	4,026	4,026
Charge for the financial year	*	45	45
As at 30 June 2021	*	4,071	4,071

* The effects of expected credit loss is insignificant.

Credit impaired refers to receivables who have defaulted on payments and are in significant financial difficulties as at the end of the reporting period.

- (g) Impairment for other receivables and amounts due from subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. As at the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The probabilities of non-payment by other receivables and amounts due from subsidiaries are adjusted by forward looking information on macroeconomic factors, which the Group has identified as gross domestic product ("GDP") and multiplied by the amount of the expected loss arising from default to determine the twelve (12) months or lifetime expected credit loss for other receivables and amounts due from subsidiaries.

It requires management to exercise significant judgement in determining the probabilities of default by other receivables and amounts due from subsidiaries, appropriate forward looking information and significant increase in credit risk. The Group defined significant increase in credit risk based on past due information, i.e. overdue amounts more than twelve (12) months.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

10. Trade And Other Receivables (continued)

- (h) Included in prepayments of the Group are advance payments to suppliers amounting to RM48,138,000 (2021: RM11,304,000).
- (i) At the end of each reporting period, the Group has no significant concentration of credit risk except for trade receivable from one (1) customer constituting 6% (2021: 11%) of total receivables of the Group. The Group does not anticipate the carrying amounts recorded at the end of each reporting period to be significantly different from the values that would eventually be received.
- (j) The currency exposure profile of receivables excluding prepayments of the Group and of the Company is as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Euro ("EUR")	116,667	98,345	–	–
United States Dollar ("USD")	473,321	319,191	–	–
Arab Emirates Dirham ("AED")	26	–	–	–
Singapore Dollar ("SGD")	51	221	–	–
Chinese Renminbi ("RMB")	20	–	–	–
RM	24,570	35,715	500	3,693
	<u>614,665</u>	<u>453,472</u>	<u>500</u>	<u>3,693</u>

- (k) Sensitivity analysis of RM against foreign currencies at the end of the reporting period of the Group and of the Company, assuming that all other variables remain constant, are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Effects of 3% changes to RM against foreign currencies				
Profit after tax				
– USD/RM – strengthen	10,792	7,278	–	–
– USD/RM – weaken	(10,792)	(7,278)	–	–
– EUR/RM – strengthen	2,660	2,242	–	–
– EUR/RM – weaken	(2,660)	(2,242)	–	–

The exposure of the Group and of the Company to the other currencies are not significant, hence the effects of the changes in the exchange rates are not presented.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022
(continued)

11. Inventories

	Group	
	2022 RM'000	2021 RM'000
At cost		
Raw materials	36,567	14,428
Work-in-progress	104	142
Finished goods	72,962	57,656
	<u>109,633</u>	<u>72,226</u>
At net realisable value		
Raw materials	2	2
	<u>109,635</u>	<u>72,228</u>

- (a) Inventories are stated at the lower of cost and net realisable value and cost is determined using the weighted average formula.
- (b) Inventories of the Group recognised as cost of sales amounted to RM3,744,101,000 (2021: RM2,754,579,000).
- (c) The amounts of inventories written off, inventories written back and inventories written down recognised in the statement of profit or loss are as follows:

	Group	
	2022 RM'000	2021 RM'000
Recognised in cost of sales		
Inventories written off	-	5,086
Inventories written down	-	-
Recognised in other income		
Inventories written back	-	-
	<u>-</u>	<u>5,086</u>

12. Derivative Financial Instruments

	Group					
	2022			2021		
	Contract/ Notional amount Net long/ (short) RM'000	Assets RM'000	Liabilities RM'000	Contract/ Notional amount Net long/ (short) RM'000	Assets RM'000	Liabilities RM'000
Forward foreign exchange contracts	1,255,247	-	(12,712)	919,934	5,258	(901)
Commodity forward contracts	(49,943)	19,368	(22,828)	(10,773)	1,586	(1,947)
Commodity futures contracts	9,112	-	(1,134)	-	-	-
		<u>19,368</u>	<u>(36,674)</u>		<u>6,844</u>	<u>(2,848)</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

12. Derivative Financial Instruments (continued)

- (a) Derivative financial instruments are classified as fair value through profit or loss and measured at fair value, categorised as Level 2 of the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (b) The forward foreign exchange contracts were entered into with the objective of managing the exposure of the Group to currency risk for receivables, which are denominated in a currency other than the functional currency of the Group.
- (c) The commodity forward contracts and commodity future contracts were entered into with the objective of managing the exposure of the edible oil segment of the Group to adverse price movements in vegetable oil commodity.
- (d) The above derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at fair value through profit and loss. The resulting loss from the re-measurement of RM21,302,000 (2021: gain of RM15,517,000) is recognised in profit or loss.
- (e) The unexpired foreign currency forward contracts, which have been entered into by the Group for its trade receivables and trade payables as at end of each reporting period are as follows:

Group	Contractual amount in Foreign Currency ("FC'000")	Equivalent amount in Ringgit Malaysia ("RM'000")	Average contractual rate RM/FC	Expiry dates
2022				
USD	226,120	977,001	4.32	1.7.2022 to 23.11.2022
EUR	58,500	278,246	4.76	20.7.2022 to 29.12.2022
2021				
USD	169,150	703,908	4.16	1.7.2021 to 13.1.2022
EUR	42,600	216,026	5.07	6.7.2021 to 14.12.2021

- (f) The financial instruments of the Group, which are subject to price risk along with their contract values and mark-to-market fair value on closing, plus fair value recognised over the financial year are as follows:

Group	Contract and notional value	Fair value attributed to price changes at period closing
	<1 year RM'000	<1 year RM'000
2022		
Commodity based		
Forward sales contracts	130,262	19,368
Forward purchase contracts	(180,205)	(22,828)
		(3,460)
2021		
Commodity based		
Forward sales contracts	70,561	1,586
Forward purchase contracts	(81,334)	(1,947)
		(361)

The exposure of the Group to price volatility was solely derived from palm products. If the price of palm products changes by 3%, profit after tax for the Group would have equally increased or decreased by approximately RM1,139,000 (2021: RM246,000).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

13. Cash And Bank Balances

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	202,138	161,009	69,053	51,317
Deposits with licensed banks	39,730	26,300	38,400	25,500
	<u>241,868</u>	<u>187,309</u>	<u>107,453</u>	<u>76,817</u>

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) Deposits with licensed banks of the Group and of the Company are subject to interest at rates ranging from 0.07% to 1.99% per annum and 1.5% to 1.95% per annum (2021: 0.47% to 1.99% per annum and 1.25% to 1.99% per annum) respectively.
- (c) Deposits with the licensed banks of the Group and of the Company as at the end of the reporting period have maturity periods ranging from 8 days to 154 days and 16 days to 149 days (2021: 21 days to 154 days and 28 days to 154 days) respectively.
- (d) Deposits with licensed banks of the Group and of the Company are fixed rate instruments. Sensitivity analysis at the end of the reporting period is not presented as fixed rate instrument is not affected by change in interest rates.
- (e) The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
RM	161,652	99,870	107,453	76,817
USD	51,772	71,010	-	-
SGD	3,086	3,606	-	-
EUR	21,027	12,823	-	-
Others	4,331	-	-	-
	<u>241,868</u>	<u>187,309</u>	<u>107,453</u>	<u>76,817</u>

- (f) Sensitivity analysis of RM against foreign currencies at the end of each reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	2022 RM'000	2021 RM'000
Effects of 3% changes to RM against foreign currencies		
Profit after tax		
- EUR/RM - strengthen	479	292
- EUR/RM - weaken	(479)	(292)
- USD/RM - strengthen	1,180	1,619
- USD/RM - weaken	(1,180)	(1,619)

The exposure of the Group to the other currencies are not significant, hence the effects of the changes in the exchange rates are not presented.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

13. Cash And Bank Balances (continued)

- (g) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	202,138	161,009	69,053	51,317
Deposits with licensed banks	39,730	26,300	38,400	25,500
As reported in statements of financial position	241,868	187,309	107,453	76,817
Less: Deposits with maturity more than three (3) months	(15,000)	(14,500)	(15,000)	(14,500)
As reported in statements of cash flows	226,868	172,809	92,453	62,317

- (h) Included in the bank balances of the Group are cash placed in Islamic accounts, which amounted to RM50,014,000 (2021: RM23,570,000).
- (i) No expected credit losses were recognised arising from the deposits with licensed banks because the probability of default by these licensed banks were negligible.

14. Share Capital

	Group and Company			
	2022		2021	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid with no par value				
As at 1 July/30 June	162,000	95,147	162,000	95,147

The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

15. Reserves

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Exchange translation reserve	473	55	–	–
Retained earnings	233,173	186,126	66,752	38,969
	<u>233,646</u>	<u>186,181</u>	<u>66,752</u>	<u>38,969</u>

Exchange translation reserve

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment of the Group in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

16. Borrowings

	Note	Group	
		2022 RM'000	2021 RM'000
Non-current liabilities			
Secured:			
Term loans		923	4,996
Islamic financing facilities		1,019	–
		<u>1,942</u>	<u>4,996</u>
Current liabilities			
Secured:			
Term loans		2,021	3,878
Bankers' acceptances		91,898	95,106
Islamic financing facilities		308,038	196,196
		<u>401,957</u>	<u>295,180</u>
Total borrowings			
Term loans	17	5,101	8,874
Bankers' acceptances		91,898	95,106
Islamic financing facilities	18	306,900	196,196
		<u>403,899</u>	<u>300,176</u>

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) The carrying amounts of borrowings are reasonable approximation of their fair values, either due to their short-term nature or that they are floating rate instruments, which are re-priced to market interest rates on or near the end of the reporting period. Fair value of the borrowings of the Group are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (c) Bankers' acceptances are secured by first legal charges over land and buildings of certain subsidiaries as disclosed in Note 5 and Note 6 to the financial statements. In addition, bankers' acceptances are guaranteed by corporate guarantee and indemnity by the Company and a negative pledge on the assets of certain subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

16. Borrowings (continued)

- (d) The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the borrowings of the Group and of the Company that are exposed to interest rate risk:

Group	Weighted average effective interest rate per annum %	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	Over five (5) years RM'000	Total RM'000
30 June 2022					
Floating rates					
Term loans	5.33%	2,021	923	–	2,944
Bankers' acceptances	2.05%	91,898	–	–	91,898
Islamic financing facilities	1.99%	308,038	826	193	309,057
		<u>401,957</u>	<u>1,749</u>	<u>193</u>	<u>403,899</u>
30 June 2021					
Floating rates					
Term loans	4.99%	3,878	4,654	342	8,874
Bankers' acceptances	1.50%	95,106	–	–	95,106
Islamic financing facilities	1.34%	196,196	–	–	196,196
		<u>295,180</u>	<u>4,654</u>	<u>342</u>	<u>300,176</u>

- (e) The maturity profile of borrowings of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

Group	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	Over five (5) years RM'000	Total RM'000
2022				
Financial liabilities				
Term loans	2,112	926	–	3,038
Bankers' acceptances	91,898	–	–	91,898
Islamic financing facilities	308,038	826	–	308,864
Total undiscounted financial liabilities	<u>402,048</u>	<u>1,752</u>	<u>–</u>	<u>403,800</u>
2021				
Financial liabilities				
Term loans	4,191	4,971	355	9,517
Bankers' acceptances	95,106	–	–	95,106
Islamic financing facilities	196,196	–	–	196,196
Total undiscounted financial liabilities	<u>295,493</u>	<u>4,971</u>	<u>355</u>	<u>300,819</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

16. Borrowings (continued)

- (f) Sensitivity analysis of interest rate at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	2022 RM'000	2021 RM'000
Profit after tax		
– Increased by 1.0% (2021: 1.0%)	(3,070)	(2,281)
– Decreased by 1.0% (2021: 1.0%)	3,070	2,281

- (g) The currency exposure profile of borrowings of the Group is as follows:

	Group	
	2022 RM'000	2021 RM'000
USD	208,174	195,628
RM	194,109	104,548
EURO	1,616	–
	<u>403,899</u>	<u>300,176</u>

Sensitivity analysis of RM against foreign currency, USD as at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	2022 RM'000	2021 RM'000
Effects of 3% changes to RM against foreign currencies		
Profit after tax		
– USD/RM - strengthen	(4,746)	(4,460)
– USD/RM - weaken	4,746	4,460

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

16. Borrowings (continued)

(h) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's and in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statements of cash flows of the Group and of the Company as cash flows from financing activities.

Group	Term loans RM'000	Bankers' acceptances RM'000	Islamic financing facilities RM'000	Lease liabilities (Note 6) RM'000	Total RM'000
2022					
As at 1 July 2021	8,874	95,106	196,196	7,649	307,825
Additions	–	–	–	530	530
Cash flows	(5,930)	(3,774)	112,440	(2,091)	100,645
Non-cash flows:					
– Accretion of interest	–	–	–	133	133
– Termination of lease contracts	–	–	–	(100)	(100)
– Foreign exchange movement	–	566	421	26	1,013
As at 30 June 2022	2,944	91,898	309,057	6,147	410,046
2021					
As at 1 July 2020	14,683	120,034	240,419	9,047	384,183
Additions	–	–	–	1,281	1,281
Cash flows	(5,809)	(25,123)	(44,580)	(2,925)	(78,437)
Non-cash flows:					
– Accretion of interest	–	–	–	227	227
– Reassessment and modification	–	–	–	34	34
– Termination of lease contracts	–	–	–	(9)	(9)
– Foreign exchange movement	–	195	357	(6)	546
As at 30 June 2021	8,874	95,106	196,196	7,649	307,825

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

16. Borrowings (continued)

(h) Reconciliation of liabilities arising from financing activities (continued)

	Lease liabilities (Note 6) RM'000
Company	
2022	
As at 1 July 2021	1,615
Cash flows	(600)
Non-cash flows:	
– Accretion of interest	33
As at 30 June 2022	<u>1,048</u>
2021	
As at 1 July 2020	2,172
Cash flows	(604)
Non-cash flows:	
– Accretion of interest	47
As at 30 June 2021	<u>1,615</u>

17. Term Loans

	Group	
	2022 RM'000	2021 RM'000
Secured		
Term loans		
– non-current	923	4,996
– current	2,021	3,878
	<u>2,944</u>	<u>8,874</u>

- (a) Term loans of the Group are secured by legal charges over the freehold land, building and plant and machinery of a subsidiary as disclosed in Note 5 to the financial statements. In addition, the term loans of the Group are guaranteed by the Company and a negative pledge on the assets of a subsidiary.
- (b) Tangible Net Worth of a subsidiary shall be maintained at least RM45,000,000 for certain secured term loans of the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022
(continued)

18. Islamic Financing Facilities

	Group	
	2022 RM'000	2021 RM'000
Secured		
Islamic trade facilities		
– non-current	1,019	196,196
– current	308,038	–
	<u>309,057</u>	<u>196,196</u>

Islamic trade facilities of the Group are secured by first legal charge over the land and building of a subsidiary as disclosed in Note 5 and Note 6 to the financial statements and guaranteed by way of a corporate guarantee by the Company and a negative pledge on the assets of certain subsidiaries as disclosed in Note 5 to the financial statements.

19. Deferred Tax Liabilities

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

	Group	
	2022 RM'000	2021 RM'000
As at 1 July 2021/2020	1,020	999
Recognised in profit or loss (Note 26)	(239)	21
As at 30 June 2022/2021	<u>781</u>	<u>1,020</u>

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

Deferred tax liabilities of the Group

	Property, plant and equipment and right-of-use assets RM'000	Others RM'000	Total RM'000
As at 1 July 2020	1,297	(298)	999
Recognised in profit or loss	(124)	145	21
As at 30 June 2021/1 July 2021	1,173	(153)	1,020
Recognised in profit or loss	(132)	(107)	(239)
As at 30 June 2022	<u>1,041</u>	<u>(260)</u>	<u>781</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

19. Deferred Tax Liabilities (continued)

- (c) Amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unabsorbed capital allowances	3,911	3,847	345	352
Unused tax losses				
– Expires by 30 June 2028	736	736	736	736
– Expires by 30 June 2030	4,131	4,428	–	–
– Expires by 30 June 2031	2,259	645	–	–
Other temporary differences	45,465	61	–	–
	<u>56,502</u>	<u>9,717</u>	<u>1,081</u>	<u>1,088</u>

Deferred tax assets of the Company have not been recognised in respect of these items as these items were derived from different business sources and it is not probable that taxable profits of the Company from the same business source would be available against which the deductible temporary differences could be utilised.

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

With effective from 1 January 2022, any unused tax losses shall be deductible for a maximum period of ten (10) consecutive years of assessment immediately following that year of assessment. Any amount which is not deducted at the end of the period of ten (10) years of assessment shall be disregarded.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities..

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

20. Retirement Benefit Obligations

The Group operates an unfunded defined benefit plan 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 statement of financial position are determined as follows:

	Group	
	2022 RM'000	2021 RM'000
Present value of unfunded retirement benefit obligations	223	578
Analysed as follows:		
Non-current liabilities		
– later than five (5) years	223	578

The total expenses recognised in profit or loss are as follows:

	Group	
	2022 RM'000	2021 RM'000
Current service cost	–	19
Past service cost	355	119
Interest cost	–	24
Expenses recognised in the statement of profit or loss and other comprehensive income included under administrative expenses	355	162

The movements during the financial year in the amounts recognised in the statement of financial position in respect of the retirement benefit obligations are as follows:

	Group	
	2022 RM'000	2021 RM'000
As at 1 July 2021/2020	578	538
Recognised in profit or loss	(355)	162
Contributions paid	–	(122)
As at 30 June 2022/2021	223	578

The principal actuarial assumptions used are as follows:

	Group	
	2022 %	2021 %
Discount rates	4.2	4.5
Expected rates of salary increases	5.0	5.0
Price inflation	2.5	2.5

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

21. Trade And Other Payables

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade payables	138,729	90,542	-	-
Other payables	97,307	47,511	7	1
Accrued liabilities	49,962	43,234	1,049	1,397
	147,269	90,745	1,056	1,398
	285,998	181,287	1,056	1,398

- (a) Trade and other payables of the Group and of the Company are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal credit terms granted to the Group in respect of trade payables ranged from 4 to 120 days (2021: 4 to 120 days) from the date of invoice.
- (c) Included in other payables of the Group are advance payments from customers amounting to RM87,294,000 (2021: RM38,427,000).
- (d) Maturity profile of trade and other payables of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one (1) year.
- (e) The currency exposure profile of trade and other payables of the Group and of the Company are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
EUR	11,127	10,918	-	-
USD	125,244	65,571	-	-
SGD	6,899	5,151	-	-
RM	141,991	99,150	1,056	1,398
RMB	244	497	-	-
AED	493	-	-	-
	285,998	181,287	1,056	1,398

- (f) Sensitivity analysis of RM against foreign currencies at the end of the reporting period of the Group, assuming that all other variables remain constant, are as follows:

	Group	
	2022 RM'000	2021 RM'000
Effects of 3% changes to RM against foreign currency		
Profit after tax		
- USD/RM - strengthen	(2,856)	(1,495)
- USD/RM - weaken	2,856	1,495
- EUR/RM - strengthen	(254)	(249)
- EUR/RM - weaken	254	249

The exposure to the other currencies are not significant, hence the effects of the changes in the exchange rates are not presented.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022
(continued)

22. Commitments

Capital commitments

	Group	
	2022 RM'000	2021 RM'000
Capital expenditure in respect of purchase of property, plant and equipment:		
– Approved but not contracted for	–	–
– Approved and contracted for	–	455
	–	455

23. Revenue

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue from contracts with customers				
– Sale of goods	4,046,102	3,144,549	–	–
– Management fees from subsidiaries	–	–	3,600	3,600
	4,046,102	3,144,549	3,600	3,600
Revenue from other sources				
– Dividend income from a subsidiary	–	–	48,510	22,068
	4,046,102	3,144,549	52,110	25,668
Timing of revenue recognition				
Transferred at a point in time	4,046,102	3,144,549	–	–
Transferred over time	–	–	3,600	3,600
Revenue from contracts with customers	4,046,102	3,144,549	3,600	3,600

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition as disclosed in Note 4 to the financial statements.

(a) Sale of goods

Revenue from sale of goods are recognised at a point in time when the goods have been transferred to the customer and coincides with the delivery of goods and acceptance by customers.

There is no material right of return and warranty provided to the customers on the sale of goods.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve (12) months.

(b) Management fees

Management fees is recognised over the period in which the services are rendered.

(c) Dividend income

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

24. Cost Of Sales

Cost of sales of the Group represents cost of inventories sold and other related expenses.

25. Profit Before Tax

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
After charging:				
Auditors' remuneration to BDO PLT:				
– statutory audit	312	290	71	65
– non-statutory audit	13	13	13	13
Other auditors' remuneration:				
– statutory audit	71	72	–	–
Bad debts written off	103	252	–	–
Property, plant and equipment written off	123	7	–	–
Interest expense on:				
– bank overdraft	10	11	10	10
– term loans	271	508	–	–
– bankers' acceptances	2,659	3,861	–	–
– islamic financing facilities	2,056	2,185	–	–
– lease liabilities	133	227	33	47
– others	3	4	2	2
Loss on disposal of property, plant and equipment	108	–	–	–
Net loss on foreign exchange:				
– unrealised	1,527	–	–	–
– realised	1,489	2,584	–	–
And crediting:				
Interest income received from:				
– deposits with licensed banks	535	455	497	392
– short term investments	1,138	1,100	1,092	900
– subsidiaries	–	–	64	115
– others	–	–	–	–
Gain on disposal of property, plant and equipment	–	334	–	–
Gain on disposal of right-of-use asset	–	47	–	–
Net gain on foreign exchange:				
– realised	–	3,284	–	–
– unrealised	–	827	–	–

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

26. Tax Expense

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Malaysian income tax:				
Current tax expense	3,901	4,705	135	120
Under/(Over)-provision in prior years	15	(67)	(13)	(15)
	3,916	4,638	122	105
Foreign income tax:				
Current tax expense	780	358	–	–
Over-provision in prior years	(52)	(30)	–	–
	4644	4,966	122	105
Deferred tax (Note 19):				
Relating to origination and reversal of temporary differences	(450)	33	–	–
Under/(Over)-provision in prior years	211	(12)	–	–
	(239)	21	–	–
	4,405	4,987	122	105

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated taxable profits for the fiscal year. Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.
- (b) A subsidiary of the Group has been granted Principal Hub status, which provides tax incentive to the subsidiary for a period of ten (10) years. The Principal Hub status commenced in the Year of Assessment 2017 under the Income Tax Act 1967.
- (c) The numerical reconciliations between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before tax	123,765	121,077	47,345	20,349
Tax at Malaysian statutory income tax rate of 24% (2021: 24%)	29,704	29,058	11,363	4,884
Tax effects in respect of:				
– non-allowable expenses	5,525	2,538	677	747
– non-taxable income	(1,632)	(1,592)	(11,904)	(5,510)
– different tax rates in foreign jurisdiction	(319)	(170)	–	–
– deferred tax assets not recognised	11,230	128	–	–
– utilisation of deferred tax assets previously unrecognised	(1)	(76)	(1)	(1)
– tax incentives	(40,276)	(24,790)	–	–
	4,231	5,096	135	120
Over-provision of income tax in prior years	(37)	(97)	(13)	(15)
Under/(Over)-provision of deferred tax in prior years	211	(12)	–	–
	4,405	4,987	122	105

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

26. Tax Expense (continued)

(d) Tax on each component of other comprehensive income is as follows:

Group	Before tax RM'000	Tax effect RM'000	After tax RM'000
2022			
Foreign currency translations	685	–	685
2021			
Foreign currency translations	(168)	–	(168)

27. Earnings Per Share

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2022 RM'000	2021 RM'000
Profit attributable to equity holders of the parent	66,487	69,966
	Unit'000	Unit'000
Weighted average number of ordinary shares in issue	162,000	162,000
	Sen	Sen
Basic earnings per ordinary share	41.04	43.19

(b) Diluted

The Group has no potential ordinary shares in issue as at reporting date and therefore, the diluted earnings per ordinary share equals basic earnings per ordinary share.

28. Dividends

	Group and Company			
	2022		2021	
	Dividend per share sen	Amount of dividend RM'000	Dividend per share sen	Amount of dividend RM'000
In respect of the financial year ended 30 June 2021:				
Final single-tier dividend, paid on 11 November 2021	12	19,440	–	–
In respect of the financial year ended 30 June 2020:				
Final single-tier dividend, paid on 12 November 2020	–	–	10	16,200

On 23 August 2022, the Board of Directors approved payment of a single tier dividend of 12.0 sen per ordinary share amounting to RM19,440,000. The financial statements for the current financial year do not reflect this dividend.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

29. Employee Benefits

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Salaries and wages	40,550	38,653	3,409	3,707
Social security contributions	240	254	13	15
Contributions to defined contribution plan	3,277	2,946	407	446
Defined benefit plan	(355)	162	–	–
Other benefits	534	685	202	186
	<u>44,246</u>	<u>42,700</u>	<u>4,031</u>	<u>4,354</u>

Included in employee benefits of the Group and of the Company is Executive Directors' and other key management personnel's remuneration as disclosed in Note 30(c) to the financial statements.

30. 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 could be individuals or other parties.

Related parties of the Group include the following:

- (i) Direct and indirect subsidiaries as disclosed in the Note 8 to the financial statements;
 - (ii) A corporation in which a Director of the Company has substantial financial interests; and
 - (iii) Key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include the Executive Directors of the Group.
- (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Subsidiaries				
Management fee income	–	–	3,600	3,600
Interest income	–	–	64	115
Dividend income	–	–	48,510	22,068
Related party				
Management fee expense	480	480	480	480

The related party transactions described above were carried out on agreed contractual terms and conditions and in the ordinary course of business between the related parties of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

30. Related Party Disclosures (continued)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including Directors (whether Executive or otherwise) of the Group and of the Company.

The remuneration of key management personnel during the financial year was as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Directors of the Company				
Executive Directors:				
– Salaries, bonus and allowances	10,838	9,974	1,070	1,274
– Defined contribution plan	599	630	122	147
	<u>11,437</u>	<u>10,604</u>	<u>1,192</u>	<u>1,421</u>
Non-Executive Directors:				
– Fees	375	395	225	225
– Allowances	135	124	135	124
– Other emoluments	2,280	780	135	124
	<u>2,790</u>	<u>1,299</u>	<u>360</u>	<u>349</u>
Total remuneration for Directors of the Company	<u>14,227</u>	<u>11,903</u>	<u>1,552</u>	<u>1,770</u>
Directors of Subsidiaries				
Executive Directors:				
– Salaries, bonus and allowances	1,333	505	–	–
– Defined contribution plan	116	61	–	–
	<u>1,249</u>	<u>566</u>	<u>–</u>	<u>–</u>
Non-Executive Directors:				
– Fees	60	60	225	225
– Allowances	–	–	135	124
	<u>60</u>	<u>60</u>	<u>–</u>	<u>–</u>
Total remuneration for Directors of subsidiaries	<u>1,309</u>	<u>626</u>	<u>1,552</u>	<u>1,770</u>
Other key management personnel of the subsidiaries:				
– Salaries, bonus and allowances	3,112	2,458	–	–
– Defined contribution plan	305	286	–	–
	<u>3,417</u>	<u>2,744</u>	<u>–</u>	<u>–</u>
Total other key management personnel remuneration	<u>3,417</u>	<u>2,744</u>	<u>–</u>	<u>–</u>
Total compensation of key management personnel	<u>18,953</u>	<u>15,273</u>	<u>1,552</u>	<u>1,770</u>

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group and from the Company amounted to RM85,000 and RM31,000 respectively (2021: RM85,000 and RM31,000).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

31. Financial Guarantee Contracts

The Company has financial guarantee contracts of RM648,318,000 (2021: RM577,698,000) in respect of financial guarantees given to financial institutions for banking facilities granted to subsidiaries.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of the amount of the loss allowance; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

Financial guarantees have not been recognised since the fair value was not material on initial recognition. As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

Maturity profile of financial guarantee contracts of the Company at the end of each reporting period based on contractual undiscounted repayment obligations, is repayable upon any default by the subsidiaries in respect of the guaranteed bank facilities.

The maximum credit risk exposure of the financial guarantee issued is limited to the credit amount utilised of RM300,176,000 (2021: RM300,176,000). The financial guarantees have low credit risk at the end of the year as the financial guarantee is unlikely to be called by the financial institutions.

32. Capital And Financial Risk Management

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as a going concern whilst maximising return to shareholders through the optimisation of the debt and equity ratios.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payout to shareholders, issue new ordinary shares and redeem debts, where necessary. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2021 and 30 June 2022.

The Group monitors capital using a gearing ratio, which is net debt divided by equity. The Group includes within net debt, borrowings, lease liabilities, trade and other payables, other liabilities, less cash and bank balances. Equity represents equity attributable to the owners of the parent. The net debt-to-equity ratios as at 30 June 2021 and 30 June 2022 are as follows:

	Group	
	2022 RM'000	2021 RM'000
Borrowings	403,899	300,176
Lease liabilities	6,147	7,649
Trade and other payables	285,998	181,287
Other liabilities	39,041	5,356
Total liabilities	735,085	494,468
Less: Cash and bank balances	(241,868)	(187,309)
Net debt	493,217	307,159
Equity	328,535	281,328
Net debt to equity ratio	1.50	1.09

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital (excluding treasury shares, if any) and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 30 June 2022.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

32. Capital And Financial Risk Management (continued)

(b) Financial risk management objectives and policies

Exposure to credit risk, liquidity and cash flow risk, foreign currency risk, interest rate risk and price fluctuation risk arises in the normal course of the businesses of the Group. The overall financial risk management objective of the Group is to minimise potential adverse effects on the financial performance of the Group.

The overall business strategies of the Group, its tolerance of risk and its general risk management philosophy are determined by management in accordance with prevailing economic and operating conditions. Financial risk management is carried out through risk reviews, internal control systems and adherence to the financial risk management policies of the Group. The Group does not have any financial instruments for trading purposes.

The management policies of the Group for managing each of its financial risk are summarised below:

(i) Credit risk

Cash deposits and trade and other receivables could give rise to credit risk which requires the loss to be recognised if a counterparty fails to perform as contracted. Credit risk refers to the risk that a counterparty would default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The exposure and the creditworthiness of the counterparties of the Group are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The primary exposure of the Group and of the Company to credit risk arises through its trade receivables and other receivables. The carrying amount of financial assets as recorded in the financial statements, grossed up for any impairment losses, represents the maximum exposure to credit risk of the Group.

The credit risk concentration profiles have been disclosed in Note 10 to the financial statements.

(ii) Liquidity and cash flow risk

Liquidity risk is the risk that the Group is unable to service its cash obligations in the future. To mitigate this risk, management measures and forecasts its cash commitments, monitors and maintains a level of cash and cash equivalents deemed adequate to finance the operations and development activities of the Group.

Based on management's assessment, it is not probable that the counterparties to financial guarantee contracts will claim under the contract. The analysis of financial instruments by remaining contractual maturities has been disclosed in Note 6, Note 16 and Note 21 to the financial statements respectively.

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group is subject to foreign exchange fluctuations through the import of raw materials and packaging materials and export of finished goods. The Group monitors the movement in foreign currency exchange rates closely to ensure its foreign currency risk is minimised.

The foreign currency profile and sensitivity analysis have been disclosed in Note 10, Note 12, Note 13, Note 16 and Note 21 to the financial statements respectively.

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The exposure of the Group to interest rates risk arises primarily from their borrowings. The Group does not use derivative financial instruments to hedge this risk.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Note 6, Note 13 and Note 16 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022
(continued)

32. Capital And Financial Risk Management (continued)

(b) Financial risk management objectives and policies (continued)

(v) Price fluctuation risk

The edible oil segment of the Group is inversely exposed to price fluctuation risk on sales and purchases of palm oil commodities. This segment enters into commodity forward contracts with the objective of managing and hedging their respective exposure to price volatility in the commodity markets.

The objective of the Group on price risk management is to limit the exposure of the Group to fluctuations in market prices and to achieve expected margins on revenue.

The Group manages its price fluctuation risk by having policies and procedures governing forward positions.

33. Significant Event During The Financial Year

In November 2021, C.I. Damansara Quarry Sdn. Bhd. ("CIDQSB") and C.I. Auto Services Sdn. Bhd. ("CIASB"), a dormant indirect owned subsidiaries have completed their voluntary strike off and have ceased to be an indirect owned subsidiaries of the Company.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

(continued)

34. Adoption Of New MFRSs And Amendments To MFRSs

34.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i> (Amendment to MFRS 16 Leases)	1 April 2021 (early adopted)
* <i>Effective immediately.</i>	

The adoption of the above Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

34.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2022

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 (<i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>)	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements - Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments since the effects would only be observable in the future financial years.

LIST OF PROPERTIES

Properties Held By The Group As At 30 June 2022

Tenure	Location	Approximate land area (sq ft)	Approximate age of buildings (year)	Description	Date of acquisition	2022 Net Book Value RM'000
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)	42	Factory for Manufacturing Tap wares	10/06/1978	651
Freehold (2 individual lots)	Land at HS (D) 14031 PT 3272, HS (D) 14036 PT 3277, Mukim Si Rusa, Daerah Port Dickson, Negeri Sembilan Darul Khusus.	43,594 48,115	–	Bungalow Land for Future Development of Orchard and Building	03/01/1999	–
Melaka						
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)	26	Factory for Manufacturing Sanitary wares	03/11/1995	4,661
Selangor Darul Ehsan						
Freehold land	Land with building at GM 2514, Lot 2239, Mukim Teluk Panglima Garang, Lot 2239, Jalan Rajawali, Batu 9, Kampung Kebun Baru, 42500 Telok Panglima Garang, Kuala Langat, Selangor Darul Ehsan.	175,602	17	Industrial land	20/09/2005	13,080
Freehold land	Land with building at GM 4406, Lot 11202, Mukim Teluk Panglima Garang, Lot 11202, Jalan Rajawali, Batu 9, Kampung Kebun Baru, 42500 Telok Panglima Garang, Kuala Langat, Selangor Darul Ehsan.	88,016	9	Industrial land	30/12/2012	11,634
Freehold land	Land with building at GM6505, Lot 11203, Mukim Teluk Panglima Garang, Lot 11203, Jalan Rajawali, Batu 9, Kampung Kebun Baru, 42500 Telok Panglima Garang, Kuala Langat, Selangor Darul Ehsan.	89,984	4	Agricultural	15/03/2019	4,281

LIST OF PROPERTIES

Properties Held By The Group As At 30 June 2022
(continued)

Tenure	Location	Approximate land area (sq ft)	Approximate age of buildings (year)	Description	Date of acquisition	2022 Net Book Value RM'000
Johor Darul Takzim						
Leasehold 60 years expiring 2055	Land with building at PTD 115556, HSD 221665, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim Plt 470, Jalan Keluli 1, 81700 Pasir Gudang, Johor Darul Takzim.	87,120	14	Industrial land	20/02/2008	3,499
Leasehold 60 years expiring 2052	Land with building at PTD 110329, HSD 200231, Mukim Plentong, Daerah Johor Bahru, No.18, Jalan Pekeliling, Taman Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor Darul Takzim.	99,876	4	Industrial land	30/04/2019	8,862
						46,668

ANALYSIS OF SHAREHOLDINGS

As At 30 August 2022

Issued and fully paid-up share capital : 162,000,000 ordinary shares

Class of shares : Ordinary shares

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	158	6.56	1,837	0.00
100 - 1,000	853	35.39	675,610	0.42
1,001 - 10,000	1,071	44.44	4,154,141	2.56
10,001 - 100,000	265	11.00	7,808,502	4.82
100,001 to less than 5% of issued shares	61	2.53	84,959,910	52.44
5% and above of issued shares	2	0.08	64,400,000	39.75
Total	2,410	100.00	162,000,000	100.00

Substantial Shareholders As Per The Register Of Substantial Shareholders

No.	Name	Direct No. of Shares Held	%	Indirect No. of Shares Held	%
1	JAG Capital Holdings Sdn Bhd	53,400,000	32.96	–	–
2	Continental Theme Sdn Bhd	12,922,100	7.98	–	–
3	Lee Cheang Mei	11,055,700	6.82	–	–
4	Fung Heen Choon	10,557,900	6.52	–	–
5	Datuk Seri Johari Bin Abdul Ghani	–	–	53,400,000	32.96 ¹
6	Datin Mariam Prudence Binti Yusof	–	–	35,094,900	21.66 ²

Notes:

- Deemed interest by virtue of his substantial shareholding in JAG Capital Holdings Sdn Bhd.
- Deemed interest through Du Ain Sdn Bhd, Duclos Sdn Bhd, Syed Ibrahim Sdn Bhd, Leasing Corporation Sdn Bhd, Sisma Water Technology Sdn Bhd and Continental Theme Sdn Bhd.

Directors' Shareholdings As Per The Register Of Directors' Shareholdings

No.	Name	Direct No. of Shares Held	%	Indirect No. of Shares Held	%
1	Megat Joha Bin Megat Abdul Rahman	1,000,000	0.62	–	–
2	Dato' Sukumaran s/o Ramasamy	3,674,000	2.27	–	–
3	Lee Cheang Mei	11,055,700	6.82	–	–
4	Fung Heen Choon (<i>Alternate Director to Lee Cheang Mei</i>)	10,557,900	6.52	–	–
5	Datuk Seri Johari Bin Abdul Ghani	–	–	53,400,000	32.96 ¹
6	Datin Mariam Prudence Binti Yusof	–	–	35,094,900	21.66 ²
7	Teh Bee Tein	–	–	230,900	0.14 ³

Notes:

- Deemed interest by virtue of his substantial shareholding in JAG Capital Holdings Sdn Bhd.
- Deemed interest through Du Ain Sdn Bhd, Duclos Sdn Bhd, Syed Ibrahim Sdn Bhd, Leasing Corporation Sdn Bhd, Sisma Water Technology Sdn Bhd and Continental Theme Sdn Bhd.
- Indirect interest through shareholdings held by spouse.

ANALYSIS OF SHAREHOLDINGS

As At 30 August 2022

(continued)

List Of Thirty (30) Largest Shareholders As At 30 August 2022

No.	Name	No. of Shares	%
1	Cimsec Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for JAG Capital Holdings Sdn Bhd</i>	53,400,000	32.96
2	UOB Kay Hian Nominees (Tempatan) Sdn Bhd <i>For Continental Theme Sdn Bhd</i>	11,000,000	6.79
3	Lee Cheang Mei	8,055,700	4.97
4	Fung Heen Choon	6,457,900	3.99
5	UOB Kay Hian Nominees (Tempatan) Sdn Bhd <i>For Duclos Sdn Bhd</i>	5,360,000	3.31
6	UOB Kay Hian Nominees (Tempatan) Sdn Bhd <i>For Leasing Corporation Sdn Bhd</i>	4,686,400	2.89
7	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Casa Biz Sdn Bhd (Money Penny Sdn Bhd)</i>	4,654,810	2.87
8	UOB Kay Hian Nominees (Tempatan) Sdn Bhd <i>For Syed Ibrahim Sdn Bhd</i>	4,540,000	2.80
9	Dato' Sukumaran s/o Ramasamy	3,674,000	2.27
10	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Syarifah Anita Ibrahim</i>	3,669,500	2.27
11	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Syarifah Aminah Ibrahim Binti Syed Ibrahim</i>	3,646,400	2.25
12	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Azril Akmar Bin Attan Akmar</i>	3,624,400	2.24
13	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Erwin Selvarajah a/l Peter Selvarajah</i>	3,580,000	2.21
14	UOB Kay Hian Nominees (Tempatan) Sdn Bhd <i>For Sisma Water Technology Sdn Bhd</i>	3,507,400	2.17
15	UOB Kay Hian Nominees (Tempatan) Sdn Bhd <i>For Du Ain Sdn Bhd</i>	3,329,000	2.05
16	Tiger Vest Sdn Bhd	3,009,800	1.86
17	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Fung Heen Choon (Money Penny Sdn Bhd)</i>	3,000,000	1.85
18	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lee Cheang Mei (Money Penny Sdn Bhd)</i>	3,000,000	1.85
19	AllianceGroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Erwin Selvarajah a/l Peter Selvarajah</i>	2,558,000	1.58
20	Cimsec Nominees (Tempatan) Sdn Bhd <i>CIMB For Continental Theme Sdn Bhd (PB)</i>	1,922,100	1.19
21	HSBC Nominees (Asing) Sdn Bhd <i>Exempt An for Bank Vontobel AG</i>	1,532,700	0.95
22	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for RDS Network Sdn Bhd</i>	1,106,600	0.68

ANALYSIS OF SHAREHOLDINGS

As At 30 August 2022

(continued)

No.	Name	No. of Shares	%
23	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Fung Heen Choon</i>	1,100,000	0.68
24	Megat Joha Bin Megat Abdul Rahman	1,000,000	0.62
25	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Leasing Corporation Sdn Bhd</i>	750,000	0.46
26	HSBC Nominees (Asing) Sdn Bhd <i>Exempt An for Bank Julius Baer & Co. Ltd.</i>	618,700	0.38
27	HSBC Nominees (Asing) Sdn Bhd <i>Exempt An for Credit Suisse</i>	447,900	0.28
28	UOB Kay Hian Nominees (Tempatan) Sdn Bhd <i>Exempt An for UOB Kay Hian Pte Ltd</i>	398,500	0.25
29	Tan Sri Abdul Ghani Bin Abdul Aziz	360,000	0.22
30	Seah Bee Huat	258,000	0.16
		144,247,810	89.04

ADDITIONAL COMPLIANCE INFORMATION

Utilisation of Proceeds Raised From Corporate Proposals

There were no proceeds raised from corporate proposals during the financial year.

Audit Fees

The total amount of audit and non-audit fees paid/payable to the external auditors and their associated companies by the Group and the Company for the financial year ended 30 June 2022 were tabulated as follows:-

	Audit Fees		Non-Audit Fees	
	Group RM	Company RM	Group RM	Company RM
i) BDO PLT	312,000	71,300	13,000	13,000
ii) BDO Tax Services Sdn Bhd	–	–	37,000	5,500
	312,000	71,300	50,000	18,500

Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests, either still subsisting at the end of the financial year ended 30 June 2022 or entered into since the end of the previous financial year.

NOTICE OF FORTY-FOURTH ANNUAL GENERAL MEETING

Notice Is Hereby Given That the Forty-Fourth Annual General Meeting ("44th AGM") of the Company will be conducted fully virtual basis through live streaming from the broadcast venue at the Boardroom, Suite A-11-1, Level 11, Hampshire Place Office, 157 Hampshire, No. 1, Jalan Mayang Sari, 50450 Kuala Lumpur on Wednesday, 26 October 2022 at 9:30 a.m. for the purpose of considering and if thought fit, passing with or without modifications the resolutions setting out in this notice.

Agenda

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year end 30 June 2022 together with the Directors' and Auditors' Reports thereon.
2. To approve the payment of Directors' fees of RM225,000 for the financial year end 30 June 2022.
3. To approve the Directors' benefits up to an amount of RM191,000 for the period from 27 October 2022 until the next Annual General Meeting of the Company to be held in 2023.
4. To re-elect the following Directors, who retire by rotation in accordance with Clause 100 of the Company's Constitution:-
 - (i) Datuk Seri Johari Bin Abdul Ghani
 - (ii) Nor Hishammuddin Bin Dato' Mohd Nordin
 - (iii) Kasinathan a/I Tulasi
5. To re-appoint Messrs BDO PLT as auditors of the Company and to authorise the Directors to fix their remuneration for the ensuing year.

As Special Business

To consider and, if thought fit, to pass the following ordinary resolutions:-

6. Authority for Directors to issue and allot shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016

"THAT subject always to the Companies Act, 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Constitution of the Company and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act, 2016 to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being.

THAT pursuant to Section 85 of the Companies Act, 2016, read together with Clause 18 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from issuance of new shares pursuant to this Mandate.

AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

7. Continuing in Office as Independent Non-Executive Directors

- 7.1 "THAT subject to passing of Ordinary Resolution No. 4, approval be and is hereby given to Encik Nor Hishammuddin Bin Dato' Mohd Nordin who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company."
- 7.2 "THAT approval be and is hereby given to Ms. Teh Bee Tein who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company."
- 7.3 "THAT subject to passing of Ordinary Resolution No. 5, approval be and is hereby given to Mr. Kasinathan a/I Tulasi who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company."

Please refer to Explanatory Note 1

Ordinary Resolution 1

Ordinary Resolution 2

**Ordinary Resolution 3
Ordinary Resolution 4
Ordinary Resolution 5**

Ordinary Resolution 6

Ordinary Resolution 7

Ordinary Resolution 8

Ordinary Resolution 9

Ordinary Resolution 10

NOTICE OF FORTY-FOURTH ANNUAL GENERAL MEETING

(continued)

Any Other Business

- To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016.

BY ORDER OF THE BOARD
C.I. HOLDINGS BERHAD

ON POOI FONG (MAICSA 7018189 / SSM PC NO. 202208000204)
TAN LAI HONG (MAICSA 7057707 / SSM PC NO. 202008002309)
Company Secretaries

Kuala Lumpur
27 September 2022

Notes:

- The 44th AGM will be conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting ("RPEV") facilities provided by Boardroom Share Registrars Sdn Bhd using the online meeting platform <https://meeting.boardroomlimited.my>. Please follow the procedures as set in the administrative guide in order to register, participate and vote remotely via RPEV facilities.
- The venue of the 44th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of Meeting to be present at the main venue. No shareholders or proxy(ies) shall be physically admitted to the broadcast venue on the day of the AGM.
- For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 74 of the Company's Constitution to issue a General Meeting Record of Depositors as at 19 October 2022. Only a member whose name appears in the Record of Depositors as at 19 October 2022 shall be entitled to attend the Meeting and to speak and vote thereat.
- A member of the Company who is entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his(her) stead. A proxy need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- A member of the Company may appoint a proxy or proxies to attend the Meeting. Where a member appoints two or more proxies, he(she) shall specify the proportion of his(her) shareholdings to be represented by each proxy.
- 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.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- To be valid, the Form of Proxy must be completed, signed and deposited at the Company's registered office at Suite A-11-1, Level 11, Hampshire Place Office, 157 Hampshire, No. 1, Jalan Mayang Sari, 50450 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in the case of a poll, not less than twenty-four (24) hours before the time appointed in taking of the poll, and in default the instrument of proxy shall be treated as valid. Alternatively, the Form of Proxy can be deposited electronically through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> before the Form of Proxy lodgement cut-off time as mentioned above.
- Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice will be put to vote on a poll. Independent Scrutineers will be appointed to observe the polling process and to verify the results of the poll respectively.

NOTICE OF FORTY-FOURTH ANNUAL GENERAL MEETING

(continued)

Explanatory Notes to the Agenda:

Item 1 of the Agenda

This item of the Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item of the Agenda is not put forward for voting.

Item 2 of the Agenda

Section 230(1) of the Companies Act, 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, the Company is seeking shareholders' approval for the payment of Directors' fees of RM225,000 for the financial year end 30 June 2022.

Details of the above are set out on page 26 of the Annual Report 2022.

Item 3 of the Agenda

The Company is also seeking shareholders' approval for the payment of benefits up to an amount of RM191,000 for the period from 27 October 2022 until the next Annual General Meeting of the Company held in 2023.

The estimated amount payable is based on the assumption that the Company maintain its existing Board composition. In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for additional benefits to meet the shortfall.

The proposed payment of benefits comprises meeting and training allowances payable to the Chairman and members of the Board and Board Committees.

Item 4 of the Agenda

Clause 100 of the Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an Annual General Meeting of the Company provided always that each director shall retire at least once in every three (3) years but shall be eligible for re-election.

With the current Board size of nine (9) directors, three (3) Directors namely Datuk Seri Johari Bin Abdul Ghani, Mr. Kasinathan a/l Tulasi and Encik Nor Hishammuddin Bin Dato' Mohd Nordin being the longest in office since their last election are to retire in accordance with Clause 100 of the Constitution.

Item 6 of the Agenda

The proposed Ordinary Resolution 7 is to empower the Directors of the Company to issue and allot shares up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority unless revoked or varied by the Company at a general meeting will expire at the next Annual General Meeting.

Item 7.1 of the Agenda

The Nomination Committee has assessed the independence of Encik Nor Hishammuddin Bin Dato' Mohd Nordin who served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and the Board, upon the Nomination Committee's recommendation, had recommend for shareholders' approval for him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-

- (a) He fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and therefore would be able to function as a check and balance and bring an element of objectivity to the Board of Directors.
- (b) He has vast experience in the legal field and was able to provide constructive and independent judgment from the legal perspective of the business.
- (c) He consistently challenged management in an effective and constructive manner.
- (d) He actively participated in board discussion and provided an independent voice on the Board.

NOTICE OF FORTY-FOURTH ANNUAL GENERAL MEETING

(continued)

Item 7.2 of the Agenda

The Nomination Committee has assessed the independence of Ms. Teh Bee Tein who served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and the Board, upon the Nomination Committee's recommendation, had recommend for shareholders' approval for her to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-

- (a) She fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and therefore would be able to function as a check and balance and bring an element of objectivity to the Board of Directors.
- (b) She has vast experience in the accounting and audit industry, which enabled her to provide constructive advice, expertise and independent judgment.
- (c) She consistently challenged management in an effective and constructive manner.
- (d) She actively participated in board discussion and provided an independent voice on the Board.

Item 7.3 of the Agenda

The Nomination Committee has assessed the independence of Mr. Kasinathan a/l Tulasi who served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and the Board, upon the Nomination Committee's recommendation, had recommend for shareholders' approval for him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-

- (a) He fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and therefore would be able to function as a check and balance and bring an element of objectivity to the Board of Directors.
- (b) He has vast experience in the legal field and was able to provide constructive and independent judgment from the legal perspective of the business.
- (c) He consistently challenged management in an effective and constructive manner.
- (d) He actively participated in board discussion and provided an independent voice on the Board.

Pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance published in April 2021, the tenure of an independent director should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board but will be redesignated as a non-independent director. If the Board intends to retain an independent director beyond nine (9) years, the Board should justify and seek annual shareholders' approval.

However, in order for an independent director to continue to serve on the Board as an independent director after twelve (12) years, shareholders' approval must be sought through a two-tier voting process and the Board must provide justifications for the retention.

Encik Nor Hishammuddin Bin Dato' Mohd Nordin was appointed to the Board as an Independent Director of the Company on 30 May 2001 and has served as Independent Director for a cumulative term of more than twelve (12) years. In connection thereto, the retention of Encik Nor Hishammuddin Bin Dato' Mohd Nordin as Independent Director of the Company is subject to the approval by the shareholders via a two-tier voting process.

On the other hand, Ms. Teh Bee Tein was appointed to the Board as an Independent Director of the Company on 15 April 2009 and has served as Independent Director for a cumulative term of more than twelve (12) years. In connection thereto, the retention of Ms. Teh Bee Tein as Independent Director of the Company is subject to the approval by the shareholders via a two-tier voting process.

Under the two-tier voting process, shareholders' votes will be cast in the following manner at the same shareholders meeting:

- Tier 1: Only the **Large Shareholder(s)** of the Company votes; and
- Tier 2: Shareholders **other than Large Shareholders** votes.

***Large Shareholder** means a person who –

- is entitled to exercise, or control the exercise of, not less than 33% of the voting shares in the company;
- is the largest shareholder of voting shares in the company;
- has the power to appoint or cause to be appointed a majority of the directors of the company; or
- has the power to make or cause to be made, decisions in respect of the business or administration of the company, and to give effect to such decisions or cause them to be given effect to.

The decision for the resolution is determined based on the vote of Tier 1 and a simple majority of Tier 2. If there is more than one Large Shareholder, a simple majority of votes determine the outcome of Tier 1 vote. The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution. However, the resolution is deemed to be defeated where the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.

NOTICE OF FORTY-FOURTH ANNUAL GENERAL MEETING

(continued)

Statement Accompanying Notice Of Annual General Meeting

Pursuant To Paragraph 8.27(2) Of The Main Market Listing Requirements Of Bursa Malaysia Securities Berhad

No notice in writing has been received by the Company nominating any candidate for election as Directors at the 44th AGM of the Company. The Directors who are due for retirement and seeking for re-election pursuant to the Company's Constitution are as set out in the Notice of 44th AGM and their profile are set out in the Directors' Profile in the Annual Report 2022.

Authority for Directors to issue and allot shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016

This is a renewal of the mandate obtained from the shareholders of the Company at the Annual General Meeting of 27 October 2021 and if passed, will empower the Directors of the Company to issue and allot shares up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company.

This authority unless revoked or varied by the Company at a general meeting will expire at the next Annual General Meeting.

The renewal of this mandate would provide flexibility to the Company for any possible fund-raising exercise, including but not limited for further placing of shares, for purpose of funding future investment projects, working capital and/or acquisitions. This authority is to avoid any delay and cost involved in convening a general meeting to approve such issuance of shares.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Forty-Third Annual General Meeting held on 27 October 2021 and which will lapse at the conclusion of the 44th AGM to be held on 26 October 2022.

ADMINISTRATIVE GUIDE

ADMINISTRATIVE GUIDE FOR FULLY VIRTUAL Forty-Fourth Annual General Meeting Of C.I. Holdings Berhad

Mode of Meeting

1. The Forty-Fourth ("44th") Annual General Meeting ("**AGM**") of C.I. Holdings Berhad will be conducted on a fully virtual basis with proceedings of the 44th AGM being streamed live from the broadcast venue on the date and time as set out below:

Day, Date and Time of meeting : Wednesday, 26 October 2022 at 9:30 a.m.

Broadcast venue : Boardroom, Suite A-11-1, Level 11, Hampshire Place Office, 157 Hampshire, No. 1, Jalan Mayang Sari, 50450 Kuala Lumpur

2. Shareholders will be able to access and participate in the proceedings through Remote Participation and Electronic Voting ("**RPEV**") facilities, which will be made available on the online Meeting Platform of Boardroom Share Registrars Sdn Bhd at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657).
3. The broadcast venue is only meant to facilitate the conduct of the virtual AGM. **No shareholders or proxy(ies) shall be physically admitted to the broadcast venue on the day of the AGM.**

Entitlement to Participate and Vote Remotely

1. A shareholder whose name appears on the Record of Depositors as at Wednesday, 19 October 2022 shall be eligible to participate the meeting or appoint proxy(ies) to participate on his/ her behalf.
2. If a shareholder is unable to participate at the 44th AGM, he/she may also appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.

Voting Procedure

1. Voting will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Boardroom Share Registrars Sdn Bhd ("**Boardroom**") as the Poll Administrator to conduct the poll by way of electronic voting (e-Voting) and Boardroom Corporate Services Sdn Bhd as Independent Scrutineer to verify the poll results.
2. e-Voting for the resolution set out in the Notice of 44th AGM will take place immediately after questions on all resolutions have been addressed.
3. Members and proxies are required to use one of the following methods to vote remotely:
 - (a) Scan the QR code provided in the email notification along with your remote participation User ID and Password; or
 - (b) Navigate to the meeting platform at <https://meeting.boardroomlimited.my>.

For the purpose of this 44th AGM, e-Voting can be carried out by using either personal smart mobile phones, tablets, personal computers or laptops.

4. During the AGM, the Chairman will invite the Poll Administrator to brief on the e-Voting housekeeping rules. The voting session will commence as soon as the Chairman calls for the poll to be opened and until such time when the Chairman announces the closure of poll.
5. The Scrutineer will verify the poll result reports upon closing of the poll session by the Chairman. Thereafter, the Chairman will announce and declare whether the resolutions put to vote were successfully carried or otherwise.

ADMINISTRATIVE GUIDE

(continued)

Lodgement of Proxy Form

1. If you are unable to attend the AGM via RPEV facilities and wish to appoint the Chairman of the AGM as your proxy to vote on your behalf, please deposit your Proxy Form at the Company's registered office at **Suite A-11-1, Level 11, Hampshire Place Office, 157 Hampshire, No. 1, Jalan Mayang Sari, 50450 Kuala Lumpur, Malaysia** not less than forty-eight (48) hours before the time of holding the AGM, i.e. latest by Monday, 24 October 2022 at 9:30 a.m. Any alteration to the Form of Proxy must be initialled.
2. Alternatively, the proxy appointment may also be lodged electronically at <https://investor.boardroomlimited.com>, which is free and available to all individual shareholders, not less than forty-eight (48) hours before the time of holding the AGM, i.e. latest by 24 October 2022 at 9:30 a.m. Kindly refer to Step 1 and 2 from **RPEV** section below.
3. **If you wish to participate in the AGM yourself, please do not submit any proxy form for the AGM. You will not be allowed to participate in the AGM together with a proxy appointed by you.**

Revocation of Proxy

If you have submitted your Proxy Form prior to the AGM and subsequently decide to appoint another person or wish to participate in the AGM yourself, please write in to **bsr.helpdesk@boardroomlimited.com** to revoke the earlier appointed proxy(ies) at least forty-eight (48) hours before the AGM. On revocation, your proxy(ies) will not be allowed to participate in the AGM. In such event, you should advise your proxy(ies) accordingly.

RPEV

1. All shareholders including (i) individual shareholders; (ii) corporate shareholders; (iii) authorised nominees; and (iv) exempt authorised nominees shall use the RPEV facilities to participate and vote remotely at the AGM. You will be able to view a live webcast of the meeting, ask questions and submit your votes in real time whilst the meeting is in progress.
2. Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of the participants. Therefore, kindly ensure that connectivity for the duration of the meeting is maintained.
3. Kindly follow the steps below to request for your login ID and password and usage of the RPEV facilities:

PROCEDURE

Before the day of the AGM	Action
1. Register Online with Boardroom Smart Investor Portal (for first time registration only)	<p>[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register. You may proceed to Step 2.]</p> <ol style="list-style-type: none"> a. Access website https://investor.boardroomlimited.com b. Click <<Register>> to sign up as a user. c. Complete registration and upload softcopy of MyKAD/Identification Card (front and back) or Passport in JPEG, PNG or PDF format. d. Please enter a valid email address and wait for BoardRoom's email verification. e. Your registration will be verified and approved within one (1) business day and an email notification will be provided.

ADMINISTRATIVE GUIDE

(continued)

PROCEDURE

Before the day of the AGM

Action

2. Submit request for remote participation (User ID and Password)

(Note: Registration for remote access will be opened on Wednesday, 19 October 2022. Please note that the closing time to submit your request is not less than forty-eight (48) hours before the time of holding the AGM, i.e. latest 24 October 2022 at 9:30 a.m.)

Individual Members

- a. Log in to <https://investor.boardroomlimited.com> using your user ID and password from Step 1 above.
- b. Select "**C.I. HOLDINGS BERHAD ANNUAL GENERAL MEETING**" from the list of Corporate Meetings and click "**Enter**".
- c. Click on "**Register for RPEV**".
- d. Read and agree to the Terms & Condition and click "**Next**".
- e. Enter your CDS Account Number and thereafter submit your request.

Appointment of Proxy

- a. Log in to <https://investor.boardroomlimited.com> using your user ID and password from Step 1 above.
- b. Select "**C.I. HOLDINGS BERHAD ANNUAL GENERAL MEETING**" from the list of Corporate Meetings and click "**Enter**".
- c. Click on "**Submit eProxy Form**".
- d. Read and accept the General Terms and Conditions by clicking "**Next**".
- e. Enter your CDS Account Number and number of securities held.
- f. Select your proxy – either the Chairman of the meeting or individual named proxy(ies) and enter the required particulars of your proxy(ies).
- g. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote.
- h. Review and confirm your proxy appointment.
- i. Click "**Apply**".
- j. Download or print the eProxy form as acknowledgement.

Corporate Shareholders, Authorised Nominee and Exempt Authorised Nominee




- a. Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Member, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy (as the case may be) to submit the request.
- b. Please provide a copy of Corporate Representative's MyKAD/Identification Card (front and back) or Passport in JPEG, PNG or PDF format as well as his/her email address.

3. Email notification

- a. You will receive notification(s) from Boardroom that your request(s) has been received and is/are being verified.
- b. Upon system verification against the AGM Record of Depositories as at Wednesday, 19 October 2022, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.
- c. If your registration is approved, you will also receive your remote access user ID and password in the same email from Boardroom after the closing date.
- d. Please note that the closing date and time to submit your request is by 24 October 2022 at 9:30 a.m.

ADMINISTRATIVE GUIDE

(continued)

PROCEDURE	
On the day of the AGM	Action
4. Login to Meeting Platform	<p>a. The Meeting Platform will be opened for login at 8:30 a.m. on Wednesday, 26 October 2022 which can be accessed via one of the following methods:-</p> <ul style="list-style-type: none"> • Scan the QR Code provided in the email notification; or • Navigate to the website at https://meeting.boardroomlimited.my <p>b. Insert the Meeting ID and sign in with the user ID and password provided to you via the email notification in Step 3 above.</p>
5. Participate	<p>[Note: Please follow the User Guides provided in the confirmation email above to view the live webcast, submit questions and vote. Questions submitted online will be moderated before being sent to the Chairman to avoid repetition.]</p> <p>a. If you would like to view the live webcast, select the broadcast  icon.</p> <p>b. If you would like to ask a question during the AGM, select the messaging  icon.</p> <p>c. Type your message within the chat box, once completed click the send button.</p>
6. Voting	<p>a. Once voting has been opened, the polling  icon will appear with the resolutions and your voting choices.</p> <p>b. To vote simply select your voting direction from the options provided. A confirmation message will appear to show your vote has been received.</p> <p>c. To change your vote, simply select another voting direction.</p> <p>d. If you wish to cancel your vote, please press "Cancel".</p>
7. End of Participation	<p>a. Upon the announcement by the Chairman on the closure of the AGM, the live webcast will end and the Messaging window will be disabled.</p> <p>b. You can now logout from the virtual meeting platform.</p>

Submission of Questions

1. Shareholders may submit questions in advance on the AGM resolution commencing from Tuesday, 25 October 2022 and in any event no later than 9:30 a.m. on Wednesday, 26 October 2022 via Boardroom's website at <https://investor.boardroomlimited.com> using the same user ID and password provided in Step 1 above. Select "**C.I. HOLDINGS BERHAD ANNUAL GENERAL MEETING**" from the list of Corporate Meetings and click "**Enter**". Thereafter select "**Submit Question**" to pose questions ("**Pre-AGM Meeting Questions**").
2. Thereafter, on the morning of the AGM, shareholders may also submit questions via the messaging box via online meeting platform at <https://meeting.boardroomlimited.my> starting at 8:30 a.m. This meeting platform will remain open throughout the virtual AGM session.
3. The Board will endeavour to respond to Pre-AGM Meeting Questions and questions submitted from 9:30 a.m. on the day of the AGM and throughout the meeting. However, not all questions will be answered during the meeting. In such event, the responses will be posted on the Company's website as soon as practicable.

Gift Policy

No gift voucher will be given to shareholders/ proxy holders who participate in the AGM.

No Recording or Photography

No recording or photography of the AGM proceedings is allowed without the prior written permission of the Company.

ADMINISTRATIVE GUIDE

(continued)

Digital Copies of AGM Documents

1. As part of our commitment to protect the environment from paper waste, the following documents can be accessed from our website at <http://www.cih.com.my/investor-relations>:-
 - (a) Annual Report 2022;
 - (b) Corporate Governance Report 2022;
 - (c) Notice of the 44th AGM;
 - (d) Form of Proxy; and Administrative Guide.
2. If you wish to receive a copy of the Annual Report 2022, you may request for a printed copy of the abovesaid documents via e-mail to <https://investor.boardroomlimited.com> by submitting your full name, NRIC No./Passport No., CDS Account No., mailing address, contact number. The printed Annual Report 2022 will be sent to you by ordinary post within four (4) market days from the date of the receipt of your request. However, we hope you would consider the environment before printing or requesting for a printed copy of the abovesaid document.

Enquiry

If you have any enquiries prior to the AGM, please contact the following during office hours from Monday to Friday (8:30 a.m. to 5:30 p.m.):-

Boardroom Share Registrars Sdn. Bhd.

Address : 11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia

General Line : 603-7890 4700

Fax Number : 603-7890 4670

Email : bsr.helpdesk@boardroomlimited.com

Personal Data Policy

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.



C.I. HOLDINGS BERHAD (Company No.: 197801000889 (37918-A))
(Incorporated in Malaysia under the Companies Act, 1965)

FORM OF PROXY

CDS Account No. _____

No. of Shares Held _____

I/We _____
(Full name in block letters, NRIC No. / Passport No. / Company No.)

of _____

Telefon No. _____ Email Address _____

being a member/members of **C.I. HOLDINGS BERHAD**, hereby appoint:

Full Name (in block letters)	NRIC No. / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Telefon No.	Email Address		
Address			

and/or (delete as appropriate)

Full Name (in block letters)	NRIC No. / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Telefon No.	Email Address		
Address			

or failing him/her, the Chairman as *my/our proxy to vote for *me/ us on *my/ our behalf at the Forty-Fourth Annual General Meeting of the Company, to be held on a fully virtual basis at the broadcast venue at Suite A-11-1, Level 11, Hampshire Place Office, 157 Hampshire, No. 1, Jalan Mayang Sari, 50450 Kuala Lumpur on Wednesday, 26 October 2022 at 9:30 a.m. and at any adjournment thereof.

RESOLUTION NO.	ORDINARY BUSINESS	FOR	AGAINST
Ordinary Resolution 1	To approve the payment of Directors' fees for the financial year end 30 June 2022		
Ordinary Resolution 2	To approve the Directors' benefits for the period from 27 October 2022 until the next Annual General Meeting to be held in 2023		
Ordinary Resolution 3	To re-elect Datuk Seri Johari Bin Abdul Ghani as Director		
Ordinary Resolution 4	To re-elect Encik Nor Hishammuddin Bin Dato' Mohd Nordin as Director		
Ordinary Resolution 5	To re-elect Mr. Kasinathan a/l Tulasi as Director		
Ordinary Resolution 6	To re-appoint Messrs BDO PLT as Auditors of the Company		
	SPECIAL BUSINESS	FOR	AGAINST
Ordinary Resolution 7	Authority for Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016		
Ordinary Resolution 8	To retain Encik Nor Hishammuddin Bin Dato' Mohd Nordin as an Independent Non-Executive Director		
Ordinary Resolution 9	To retain Ms. Teh Bee Tein as an Independent Non-Executive Director		
Ordinary Resolution 10	To retain Mr. Kasinathan a/l Tulasi as an Independent Non-Executive Director		

(Please indicate with a ("X") in the appropriate box whether you wish your vote to be cast for or against the resolution. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.)

Signed this _____ day of _____, 2022 _____

Signature(s) of Shareholder/Attorney
(if shareholder is a corporation, this part should be executed under seal)

NOTES:

- The 44th AGM will be conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting ("RPEV") facilities provided by Boardroom Share Registrars Sdn Bhd using the online meeting platform <https://meeting.boardroomlimited.my>. Please follow the procedures as set in the administrative guide in order to register, participate and vote remotely via RPEV facilities.
- The venue of the 44th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of Meeting to be present at the main venue. No shareholders or proxy(ies) shall be physically admitted to the broadcast venue on the day of the AGM.
- For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 74 of the Company's Constitution to issue a General Meeting Record of Depositors as at 19 October 2022. Only a member whose name appears in the Record of Depositors as at 19 October 2022 shall be entitled to attend the Meeting and to speak and vote thereat.
- A member of the Company who is entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- A member of the Company may appoint a proxy or proxies to attend the Meeting. Where a member appoints two or more proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- 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.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- To be valid, the Form of Proxy must be completed, signed and deposited at the Company's registered office at Suite A-11-1, Level 11, Hampshire Place Office, 157 Hampshire, No. 1, Jalan Mayang Sari, 50450 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in the case of a poll, not less than twenty-four (24) hours before the time appointed in taking of the poll, and in default the instrument of proxy shall be treated as valid. Alternatively, the Form of Proxy can be deposited electronically through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> before the Form of Proxy lodgement cut-off time as mentioned above.
- Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice will be put to vote on a poll. Independent Scrutineers will be appointed to observe the polling process and to verify the results of the poll respectively.

Fold this flap for sealing

Then fold here



The Company Secretary
C.I. HOLDINGS BERHAD
(Company no. 197801000889 (37918-A))

Suite A-11-1, Level 11,
Hampshire Place Office,
157 Hampshire,
No. 1, Jalan Mayang Sari,
50450 Kuala Lumpur

1st fold here



C.I. Holdings Berhad 197801000889 (37918-A)

Suite A-11-1, Level 11,
Hampshire Place Office,
157 Hampshire,
No. 1, Jalan Mayang Sari,
50450 Kuala Lumpur,
Malaysia.

Tel +603 2182 7333
Fax +603 2166 7208
e-mail info@cih.com.my

www.cih.com.my