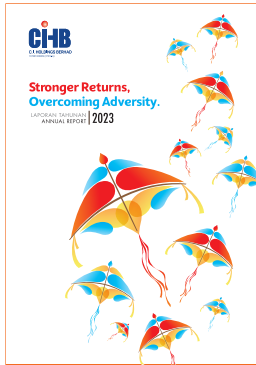


Stronger Returns, Overcoming Adversity.

LAPORAN TAHUNAN | 2023
ANNUAL REPORT





Cover Rationale

The high-flying **kite** is chosen for our cover to reflect the company's Malaysian identity as well as to represent the upward trajectory of our financials in these demanding times. It also brings to mind a quote by Winston Churchill, "Kites rise highest against the wind, not with it." Indeed, we are able to soar above unprecedented challenges to raise revenues for our stakeholders: a local company with a can-do spirit that has consistently performed well on a global level.





CONTENTS

CORPORATE

02	Corporate Information
04	Profile of Directors
10	Group Management Team's Profile
13	Management Discussion and Analysis
18	Sustainability Statement
24	Corporate Governance Overview Statement
34	Audit Committee Report
37	Statement on Risk Management and Internal Control
40	Directors' Responsibility Statement

FINANCIAL

STATEMENTS

42	Directors' Report and Audited Financial Statements
108	List of Properties
110	Analysis of Shareholdings
113	Additional Compliance Information
114	Notice of Forty-Fifth Annual General Meeting
118	Administrative Guide
	Form of Proxy

CORPORATE INFORMATION

Board Of Directors

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

Dato' Sukumaran s/o Ramasamy
Non-Independent Non-Executive Deputy Chairman
(Redesignated on 28 October 2022)

Mohammad Bin Alwi
Group Managing Director
(Appointed on 3 January 2023)

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

Lee Cheang Mei
Non-Independent Non-Executive Director

Megat Joha Bin Megat Abdul Rahman
Non-Independent Non-Executive Director
(Redesignated on 3 January 2023)

Sharina Binti Saidon
Senior Independent Non-Executive Director
(Appointed on 28 October 2022 and redesignated on 1 March 2023)

Dato' Sivananthan a/l Shanmugam
Independent Non-Executive Director
(Appointed on 3 January 2023)

Mohammad Farish Nizar Bin Othman
Independent Non-Executive Director
(Appointed on 3 January 2023)

Nor Hishammuddin Bin Dato' Mohd Nordin
Senior Independent Non-Executive Director
(Resigned on 3 January 2023)

Teh Bee Tein
Independent Non-Executive Director
(Resigned on 3 January 2023)

Kasinathan a/l Tulasi
Independent Non-Executive Director
(Resigned on 3 January 2023)

Datuk Haji Ariffin Bin Imat
Independent Non-Executive Director
(Resigned on 6 January 2023)

Fung Heen Choon
Alternate Director to Lee Cheang Mei
(Resigned on 28 October 2022)

Audit Committee

Mohammad Farish Nizar Bin Othman
Chairman, Independent Non-Executive Director
(Appointed on 3 January 2023)

Sharina Binti Saidon
Senior Independent Non-Executive Director
(Appointed on 28 October 2022)

Dato' Sivananthan a/l Shanmugam
Independent Non-Executive Director
(Appointed on 6 January 2023)

Teh Bee Tein
Chairperson, Independent Non-Executive Director
(Ceased to hold office on 3 January 2023)

Nor Hishammuddin Bin Dato' Mohd Nordin
Senior Independent Non-Executive Director
(Ceased to hold office on 3 January 2023)

Kasinathan a/l Tulasi
Independent Non-Executive Director
(Ceased to hold office on 3 January 2023)

Datuk Haji Ariffin Bin Imat
Independent Non-Executive Director
(Appointed on 3 January 2023, ceased to hold office on 6 January 2023)

Remuneration Committee

Sharina Binti Saidon
Chairperson, Senior Independent Non-Executive Director
(Appointed on 28 October 2022 and redesignated on 3 January 2023)

Datuk Seri Johari Bin Abdul Ghani
Non-Independent Non-Executive Chairman
(Appointed on 3 January 2023)

Mohammad Farish Nizar Bin Othman
Independent Non-Executive Director
(Appointed on 6 January 2023)

Nor Hishammuddin Bin Dato' Mohd Nordin
Chairman, Senior Independent Non-Executive Director
(Ceased to hold office on 3 January 2023)

Datuk Haji Ariffin Bin Imat
Independent Non-Executive Director
(Ceased to hold office on 6 January 2023)

Teh Bee Tein
Independent Non-Executive Director
(Ceased to hold office on 3 January 2023)

CORPORATE INFORMATION

(continued)

Nomination Committee

Sharina Binti Saidon

Chairperson, Senior Independent Non-Executive Director
(Appointed on 28 October 2022, Redesignated on 6 January 2023)

Datin Mariam Prudence Binti Yusof

Non-Independent Non-Executive Director
(Appointed on 3 January 2023)

Dato' Sivananthan a/l Shanmugam

(Appointed on 6 January 2023)

Datuk Haji Ariffin Bin Imat

Chairman, Independent Non-Executive Director
(Redesignated on 3 January 2023, ceased to hold office on 6 January 2023)

Nor Hishammuddin Bin Dato' Mohd Nordin

Senior Independent Non-Executive Director
(Ceased to hold office on 3 January 2023)

Teh Bee Tein

Independent Non-Executive Director
(Ceased to hold office on 3 January 2023)

Risk Management Committee

Mohammad Farish Nizar Bin Othman Chairman

Mohammad Bin Alwi Member

Sharina Binti Saidon Member

Amir Nashrin Bin Johari Member

Azlan Bin Ahmad Member

Chaw Pei Yee Member

Foo Loke Yean Member

Teoh Kar Hoe Member

Group Management Team

Mohammad Bin Alwi

Group Managing Director

Dato' Sukumaran s/o Ramasamy

Executive Chairman – Palmtop Vegeoil Products Sdn Bhd

Amir Nashrin Bin Johari

General Manager to Chairman's Office

Azlan Bin Ahmad

Head of Corporate and Legal Affairs

Chaw Pei Yee

Senior Manager – Finance & Administration

Azril Akmar Bin Attan Akmar

Chief Executive Director – Continental Resources Sdn Bhd

Baharuddin Bin Basirun

Chief Operating Officer – Continental Resources Sdn Bhd

Foo Loke Yean

Chief Executive Officer – Doe Industries Sdn Bhd

Company Secretaries

On Pooi Fong

MAICSA 7018189/ SSM PC NO. 202208000204

Tai Yuen Ling

LS 0008513/ SSM PC NO. 202008001075

Share Registrar

Boardroom Share Registrars Sdn. Bhd.

[Registration 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
bsr.helpdesk@boardroomlimited.com

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
pooifong@cih.com.my

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

Principal Bankers

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 59, 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 [Company No. 200401007748 (646252-M)]. Currently, he is the member of the Remuneration Committee of the Company.

He is a qualified Chartered Accountant under the Chartered Association of Certified Accountants, United Kingdom and the Malaysian Institute of Accountants. 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 a substantial shareholder of several companies listed on the Bursa Malaysia Securities Berhad and public companies which are involved in various industries.

Datuk Seri Johari is currently the Chairman and substantial shareholder of KUB Malaysia Berhad. Further, he is a substantial shareholder of Media Prima Berhad and Mynews Holdings Berhad, both are 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.

Datuk Seri Johari has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Other than traffic offences, Datuk Seri Johari does not have any convictions for offences within the past five (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)



Dato' Sukumaran s/o Ramasamy

**Deputy Chairman,
Non-Independent Non-Executive Director**

Dato' Sukumaran s/o Ramasamy ("Dato' Kumar"), male, aged 66, a Malaysian was appointed to the Board on 10 June 2015 as Non-Independent Non-Executive Director. He has re-designated as Deputy Chairman of the Company on 28 October 2022.

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 41 years of experience in the palm oil industries, specifically in the consumer pack segment. He is now the Executive Chairman 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.

Dato' Kumar has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Other than traffic offences, Dato' Kumar does not have any convictions for offences within the past five (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)



Encik Mohammad Bin Alwi

Group Managing Director

Encik Mohammad Bin Alwi, male, aged 59, a Malaysian, was appointed to the Board on 3 January 2023 as Group Managing Director of the Company. He is currently a member of the Risk Management Committee.

Encik Mohammad is a qualified Chartered Accountant and is a fellow member of the Chartered Association of Certified Accountants (ACCA), United Kingdom. He is also a member of the Malaysian Institute of Accountants (MIA).

Encik Mohammad has more than 30 years of extensive experience in the area of finance, accounting, strategic management and corporate governance.

He has held various senior positions during his tenure in Johor Corporation ("JCorp") from 1992 to 2013 which included Finance Director of KFC Holdings (Malaysia) Berhad/QSR Brands Berhad and Chief Executive Officer ("CEO") of KFCH Restaurants Pvt Ltd (KFC Mumbai). During his tenure in JCorp, he has served on various Boards including public listed companies such as Sindora Berhad, Pica Malaysia Berhad, Wonderful Wire & Cable Berhad and Damansara Realty Berhad. Previously, he has also served as CEO of Malaysian Kuwaiti Investment Co. Sdn Bhd and Chief Financial Officer of Tradewinds Plantation Berhad.

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.

Encik Mohammad has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Other than traffic offences, Encik Mohammad does not have any convictions for offences within the past five (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)



Datin Mariam Prudence Binti Yusof

**Non-Independent
Non-Executive
Director**



Datin Mariam Prudence Binti Yusof, female, aged 70, a Malaysian was appointed to the Board on 27 July 2005 as Non-Independent Non-Executive Director. Currently, she is the member of the Nomination Committee of the Company.

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 demutualisation 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 iFast Capital Sdn Bhd and RAM Holdings Berhad.

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.

Datin Mariam Prudence Yusof has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

She does not have any convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, (if any).



Ms. Lee Cheang Mei

**Non-Independent
Non-Executive
Director**



Ms. Lee Cheang Mei ("Joyce Lee"), female, aged 64, 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 32 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 Seven (7) years tenure with Felda, she successfully developed the export market for two (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 was resigned as an Executive Director of CRSB on 28 October 2022. She was 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 was 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.

Ms. Joyce Lee has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Other than traffic offences, Ms. Joyce Lee does not have any convictions for offences within the past five (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)



Encik Megat Joha Bin Megat Abdul Rahman

**Non-Independent
Non-Executive
Director**



Encik Megat Joha Bin Megat Abdul Rahman, male, aged 60, a Malaysian, was appointed to the Board on 18 April 2013 as an Executive Director. He was re-designated as Group Managing Director of the Company on 29 July 2015. Subsequently, he retired as Group Managing Director and was re-designated as Non-Independent Non-Executive Director of the Company on 3 January 2023.

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, Marine & General 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.

Encik Megat Joha has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

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



Cik Sharina Binti Saidon

**Senior Independent
Non-Executive
Director**



Cik Sharina Binti Saidon, female, aged 63, a Malaysian, was appointed to the Board on 28 October 2022 as an Independent Non-Executive Director. She was redesignated as Senior Independent Non-Executive Director on 1 March 2023. Currently, she is the Chairperson of the Nomination Committee and Remuneration Committee, and also a member of the Audit Committee and Risk Management Committee.

She graduated with Degree in Business Law from London Metropolitan University. Besides, she also has Diploma in Law from MARA University of Technology.

Cik Sharina, who has vast experience in law, company secretarial and corporate governance was admitted to the Malaysian Bar as an Advocate and Solicitor of the High Court of Malaya in 1991 and spent Six (6) years in private legal practice before joining a public listed company in the publication and printing industry in 1996.

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.

Cik Sharina has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Other than traffic offences, Cik Sharina does not have any convictions for offences within the past five (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)



Dato' Sivananthan a/l Shanmugan

**Independent
Non-Executive
Director**



Dato' Sivananthan a/l Shanmugan ("Dato' Siva"), male, aged 55, a Malaysian, was appointed to the Board on 3 January 2023 as an Independent Non-Executive Director. Currently, he is the member of the Audit Committee and the Nomination Committee.

Dato' Siva holds a Bachelor's Degree of Arts from the University of Malaya.

He was the Managing Director of Malaysia, Sri Lanka and Maldives for Nokia, a role in which he oversees the operations of the three Asian markets. An experienced veteran of over three decades within the IT and Telecommunications field, Dato' Siva throughout his career had developed a deep understanding of technologies i.e Industry IR 4.0, namely the internet of things (IoT), managed services, cloud technology, artificial intelligence (AI), digital transformation, e-commerce, automation and 5G.

Prior to his role at Nokia, Dato' Siva was the Chairman and Country Vice President of Tech Mahindra and before that he held senior leadership roles at major IT firms such as IBM Malaysia and Sapura as well as at leading telco firms including Swedtel Southeast Asia, Alcatel Network and Maxis. From 2017 till 2019, he has been a Committee Member of Outsourcing Malaysia, an outsourcing initiative coordinated by Malaysia's national ICT industry association, PIKOM.

Dato' Siva areas of expertise are in technology, business management, startup, leadership, strategic planning, digital transformation and corporate turnaround.

He is currently a Board member of Media Prima Berhad and Watta Holding 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.

Dato' Siva has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

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



Encik Mohammad Farish Nizar Bin Othman

**Independent
Non-Executive
Director**



Encik Mohammad Farish Nizar Bin Othman ("Encik Mohammad Farish"), male, aged 51, a Malaysian, was appointed to the Board on 3 January 2023 as an Independent Non-Executive Director. He is Chairman of Audit Committee and Risk Management Committee, as well as a member of the Remuneration Committee.

He graduated in 1995 with Bachelor of Accounting from International Islamic University Malaysia and is a member of the Malaysian Institute of Accountants. He is also a member of the Chartered Institute of Management Accountants.

Encik Mohammad Farish began his career from 1995 to 2003 with PricewaterhouseCoopers Kuala Lumpur and subsequently with KPMG Kuala Lumpur, both in the Assurance and Business Advisory practice, covering multiple assignments on various industries.

He then joined Malaysian Technology Development Corporation ("MTDC") for Six (6) years before moving on to Scomi Engineering Berhad as General Manager, Business Development and Tender Coordination.

Encik Mohammad Farish is currently the Director of Corporate Services of MTDC having re-joined MTDC in 2014 and has held various position prior to being appointed to his current position. He also holds directorship on TT Vision Holdings 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.

Encik Mohammad Farish has no conflict of interest or potential conflict of interest, including interest in any competing business, that he has with the Company or its subsidiaries.

Other than traffic offences, Encik Mohammad Farish does not have any convictions for offences within the past five (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 Mohammad Bin Alwi

Group Managing Director

(Please refer to page 6 of Directors' Profile)

Dato' Sukumaran s/o Ramasamy

Executive Chairman - Palmtop Vegeoil Products Sdn Bhd

(Please refer to page 5 of Directors' Profile)

Encik Amir Nashrin Bin Johari

General Manager to Chairman's Office

Encik Amir Nashrin Bin Johari, aged 28, male, a Malaysian, holds a Bachelor's degree in Accounting and Finance from Oxford Brookes University, Oxford, United Kingdom.

He has worked in financial assurance departments of EY Malaysia and KPMG Malaysia where he was involved in the provision of external financial audit for a diverse range of industries including a large national non-profit organisation, trading enterprises, manufacturing, hospitality, banking and real estate management companies.

Encik Amir Nashrin has also had a stint as a management consultant under KPMG's Strategy & Operations advisory division. In this capacity, he participated in a variety of engagements, encompassing economic planning, assessments of corporate governance, as well as reviews of financial and commercial strategies for both public and private sector clients.

Currently, he serves as a director of Continental Resources Sdn Bhd and Palmtop Vegeoil Products Sdn Bhd, both are subsidiaries of the Company. Subsequently, he was appointed as a General Manager to Chairman's Office of the Company on 3 January 2023.

Prior to that he spent five (5) years in various management and executive roles in different industries and companies, including various technology-based startups, private investment companies, and a public cable manufacturing company in Melaka. His roles covered corporate finance, asset management, business development, accounting, treasury, and information systems.

Encik Amir Nashrin does not hold any directorships in other public companies and listed issuers.

Encik Amir Nashrin is the son of Datuk Seri Johari Bin Abdul Ghani. 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 five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.

Encik Azlan Bin Ahmad

Head of Corporate and Legal Affairs

Encik Azlan Bin Ahmad, aged 55, 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 six (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 since 21 August 2007 until 12 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.

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 five (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)

Ms. Chaw Pei Yee

Senior Manager - Finance and Administration

Ms. Chaw Pei Yee, aged 58, 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, a fellow member of the Certified Practising Accountant Australia and a member of the Asean Chartered Professional Accountant. Currently, she is a member of the Risk Management Committee.

She has more than nine (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 five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.

Encik Azril Akmar Bin Attan Akmar

Director/Chief Executive Officer of Continental Resources Sdn Bhd

Encik Azril Akmar Bin Attan Akmar, aged 44, 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 five (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 Baharuddin Bin Basirun

Chief Operating Officer of Continental Resources Sdn Bhd

Encik Baharuddin Bin Basirun, aged 60, 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 five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.

Mr. Foo Loke Yean

Chief Executive Officer of Doe Industries Sdn Bhd

Mr. Foo Loke Yean ("Mr. Robert Foo"), aged 58, 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 five (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

(continued)

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

Company Profile

The Group is structured into two (2) main divisions: Edible Oil Division and Tap and Sanitary Ware Division. The Edible Oil Division focuses on exporting vegetable-based edible oil and fat products in various consumer pack forms. The Tap and Sanitary Ware Division is primarily involved in the trading and distribution of sanitary ware and tap fittings to the property development and retail markets.

Edible Oil Division

The Edible Oil 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 23 packing lines with a rated packing capacity of 360,000 metric tonnes ("MT") of edible oils per annum and 37 oil tanks with a total tankage capacity of 4,000MT.

CRSB operates 17 Jerrycan ("JC") blow molding machines with a total maximum monthly production capacity of 1.3 million units in various sizes (3L, 5L, 10L, 18L, 20L & 25L). Plant 2 houses 12 JC machines, while Plant 3 has five (5) JC machines.

By manufacturing its own JC packaging materials, the division achieves cost savings and better quality control over products sold to customers. The higher quality JC results in minimal rejections and complaints from customers, making our JC highly sought after.

Palmtop operates two (2) packing plants in Pasir Gudang, Johor. Palmtop comprises 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. Palmtop has 15 packing lines with a rated packing capacity of 316,000MT of edible oils per annum and 37 oil tanks with a total capacity of 4,500MT.

Both subsidiaries within the Edible Oil Division are undergoing expansion works to increase our internal production capacity for JC to further capture the benefits mentioned above along with our oil filling capacities. Upon completion of the upgrading exercise, total production capacity will increase to 3,000 full container loads ("FCL") per month from Third Quarter of FY2025.

Tap And Sanitary Ware Division

The Division refers to Doe Industries Sdn. Bhd. and its subsidiaries ("DOE Group"). The DOE Group currently operates an Assembly and Quality Assurance plant in Senawang, Negeri Sembilan. The sales and marketing headquarters, which acts as its distribution centre, is situated in Damansara Utama, Petaling Jaya, Selangor.

The Division is committed to building strong business partnerships with retail outlets nationwide and international distributors. It collaborates with Original Equipment Manufacturers ("OEM") from both local and overseas brands and works closely with major developers and government agencies to secure orders. Additionally, the division will prioritise building materials to boost revenue and ensure strict quality control for OEM/trading items. It trades various types of building materials like roof tiles, wall and floor tiles, paint, kitchen appliances, precast concrete products, and timber plywood under its respective brands.

Vision

The Group aims to develop, enhance or create a comprehensive portfolio of consumer brands to enable the generation of sustainable profit growth and extraordinary investment returns for the shareholders.

Principal Activities Of Our Group

- Blending and packing of vegetable-based edible oils.
- Marketing, branding, and merchandising of consumer-packed edible oil products in domestic and international markets.
- Trading of tap and sanitary ware products.

Key Markets

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

Strategies In Creating Value

- Leveraging core competencies and areas of strategic advantages.
- Identify market opportunities by keeping abreast on market developments and understanding evolving customer needs.
- Offering a diverse and attractive range of products and brands that cater to customer needs and preferences.
- Continual optimisation of business processes.
- Providing growth and enrichment opportunities to the employees, business partners and the communities where we operate.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

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

Financial (in RM'000)					
	2023	2022	2021	2020	2019
Revenue	5,347,165	4,046,102	3,144,549	2,572,493	2,272,914
Earnings Before Interest And Tax	190,140	128,897	127,873	63,584	45,934
Finance Costs	(17,079)	(5,132)	(6,796)	(10,517)	(12,640)
Profit After Tax	166,514	119,360	116,090	45,311	27,074
Shareholders' Funds	410,320	328,793	281,328	227,663	210,392
Total Assets	1,216,783	1,149,474	849,942	805,076	573,969
Borrowings	420,973	403,899	300,176	375,136	202,057
Debt/Equity (%)	103	123	107	165	96
Earnings per share (sen)	62.00	41.04	43.19	18.59	11.75
Net Assets per share (RM)	2.53	2.03	1.74	1.41	1.30
Dividend per share (sen)	15	12	12	10	8

Share Performance (RM)					
	2023	2022	2021	2020	2019
Year high	3.78	4.28	3.70	1.55	1.94
Year low	2.60	2.69	1.09	0.82	1.21
Year close	3.10	2.84	3.23	1.20	1.37
Market capitalisation (as at financial year end)	502.2 million	460.0 million	523.3 million	194.4 million	221.94 million

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

Revenue

The Group posted a significant increase in revenue of RM5.35 billion for the financial year ended 30 June 2023 ("FY2023") compared to the RM4.05 billion recorded in the preceding financial year ended 30 June 2022 ("FY2022") despite the decrease in crude palm oil ("CPO") and palm olein prices and global trade tensions. The 32% increase in revenue was driven by:

- An increase in sales volume mainly from the Middle East, African and Indian Subcontinent regions. This was caused by an increasingly competitive pricing for Refined Bleached and Deodorised ("RBD") Palm Olein compared to other oilseed markets such as sunflower oil and soybean oil.
- The weakening MYR relative to USD which has resulted in favourable average forex rates and contributed to higher realised gain in foreign exchange and derivatives. MYR/USD started the financial year at MYR4.41 per 1USD and peaked at 4.75 in November 2022, ending with an average of 4.495 for the current reporting period. This is a 6.24% increase compared to the previous financial year average of MYR4.231 to 1USD.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Profit After Tax ("PAT") And Expenses

The Group's PAT increase of 40% to RM 166.51 million for the current year from RM119.36 million in the previous year is in line with the increase in revenue in tandem with opportunities to unlock benefits of economies of scale from the strengthening volume. The increased volume has allowed better negotiation with commodity suppliers and logistics partners, which have translated into improved overall margins.

Operating expenses increased from RM149.07 million to RM165.78 million during the year, a 11.2% increase compared to the previous year. The increase was due to higher realised/unrealised loss from derivatives arising from hedged forex contracts of the sales proceeds.

Finance costs increased by 233% from RM5.13 million to RM17.08 million in the reporting period. This is mainly due to higher utilisation of trade facilities aimed at funding the necessary working capital to accommodate the upsurge in sales volume. Since July 2022, Bank Negara Malaysia has increased its Overnight Policy Rate from 2.25% to 3.0%, or an increase of 75 basis points. This has led to higher cost of funds for our financiers, consequently affecting our interest rates.

Assets: Trade Receivables

Trade receivables increased by 16% from RM 608.93 million to RM 706.23 million or on average being outstanding from 55 days to 48 days during the year. Although the increase in absolute terms have increased to RM97.3 million, the receivable turnover days have significantly improved as a result of better collection rates from customers, a reduction of seven (7) days from previous reporting period.

Assets: Inventories

There was a decrease in inventories by 35%, from RM109.64 million in the previous financial year to RM71.68 million. This drop is mainly a result of lower average commodity prices recorded at the balance sheet date under review. For reference, average CPO prices in June 2022 were at RM6,106/MT and RM3,525/MT in the current reporting period, a 42% variance.

Assets: Cash And Bank Balances

The Group's bank balances and deposits placed with financial institutions increased by 4%, from RM241.87 million to RM250.52 million. This was primarily due to higher revenues, coupled with improved collection during the FY2023.

Liabilities: Trade And Other Payables

The Group's trade and other payables decreased 20% to RM229.59 million from RM286.00 million in FY2022. This is in line with the lower average commodity prices recorded at the balance sheet date under review.

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 4%, from RM403.90 million to RM420.97 million during the year. The Debt/Equity ratio of 123% reported as at 30 June 2022 decreased to 103% as at 30 June 2023. It is important to note that while total borrowings are still above shareholders' fund levels, the debt is mainly for short term financing of no more than 90 days outstanding to purchase raw materials for sales.

REVIEW OF OPERATING ACTIVITIES

Operating Activities

Despite these challenging times, the Group is satisfied with the current period's performance. The Group's Earnings Before Interest and Taxation ("EBIT") of RM190.14 million achieved a 48% increase from the RM128.90 million recorded in the previous period. This is in line with the increase in sales as a result of better margin traded alongside the lower freight rates.

Overall, the Group's cash conversion cycle has also seen impressive improvements. Total cash conversion cycle days have gone from 52.1 days in FY2022 to 44.5 days in FY2023.

During the financial year, the Group was awarded Highest Returns to Shareholders Over Three Years under the Consumer Products & Services category at The Edge Malaysia Centurion Club Awards 2022.

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

The Group takes pride in its commitment to safeguarding employees' well-being by consistently maintaining full take-home salaries, annual bonuses, and timely salary increments throughout the challenging past years. This dedication remains resolute even in anticipation of future challenges and uncertainties.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

ANTICIPATED OR KNOWN RISKS

Foreign Exchange Risk

The Group annually exports around 99% of its products worldwide, which increases exposure to currency exchange risk. However, this risk is managed by using forward currency contracts whenever possible.

Country Risk

The financial performance of the Group is significantly influenced by the political, economic, and regulatory conditions in the importing countries. Negative developments in these areas could lead to contract defaults, collection issues, bad debts, and potential loss of market share. The Group closely monitors the importing countries' situation on a weekly or daily basis and takes proactive measures to mitigate potential risks.

FUTURE PROSPECTS, POSSIBLE TRENDS AND OUTLOOK

EDIBLE OIL DIVISION

Palm Oil Supply Pressures - Impact of Climate Crisis on Palm Oil

Extreme weather patterns, including El Nino, excessive rainfall, and flooding, have been a subject of focus in the palm oil industry. However, Malaysian Palm Oil Board (MPOB) Chairman Datuk Mohamad Helmy Othman Basha indicates that El Nino's significant impact on palm oil yields in the latter half of 2023 is now unlikely due to slight shifts in weather patterns. The likelihood of a major El Nino event has diminished compared to earlier estimates, and the projected production impact may differ from initial expectations. While El Nino may not be a major concern this year, the palm oil industry, like other agricultural sectors, remains susceptible to ongoing worries related to extreme weather patterns. Excessive rainfall, potentially leading to flooding, could affect the yield of fresh fruit bunches, disrupting harvesting and transportation processes. Malaysia's recent 27% surge in production between April and May, the largest rise in over two years, is attributed to enhanced labour conditions resulting in more harvesting days.

Palm Oil Demand Pressures

a) **Indonesia B40 Biodiesel Programme**

The Indonesian Energy Ministry is planning to implement a new blending regulation that will raise the palm oil content in biodiesel to 40%. Despite a slow initial progress, mainly due to historically low fossil fuel prices, the country is determined to achieve its goal of producing fuel with a 35% palm oil blend this year. Starting from February 2023, the world's leading producer of vegetable oils transitioned from a 30% palm oil mix (B30) to a 35% blend (B35) in its transportation sector's biodiesel program. Indonesia, renowned as the largest global palm oil producer, is actively seeking to reduce its reliance on costly fossil fuel imports by promoting the utilisation of palm oil in fuel. This year, the country successfully introduced a mandatory biodiesel mix of 35% palm oil, the highest globally, surpassing last year's 30%. As part of emission reduction initiatives, Indonesia's national airline, Garuda Indonesia, is conducting tests on a Boeing aircraft using jet fuel that incorporates a mixture of palm oil. This will lead to an increase in Indonesia's consumption of domestically produced palm oil.

b) **Rising Attractiveness of Palm Oil Amidst Growing Price Gap with Rival Oils**

Palm oil's allure is rising due to surging demand from non-US and EU buyers such as India, China, Bangladesh, Pakistan, Türkiye, Africa, and the Middle East. This preference is driven by its cost advantage stemming from superior yield efficiency of palm trees, which translates into more competitive prices. Moreover, the quick shipping times cater to price-sensitive Asian buyers. This growing attractiveness of palm oil is underscored by a widening price disparity compared to rival oils such as soybean and sunflower oil. Escalating prices of soybean and sunflower oil, attributed to production concerns in the US, Argentina, and supply disruptions from the Black Sea region, are enhancing palm oil's appeal. This shift is crucially influenced by the Black Sea region, which accounts for a substantial 60% of global sunflower oil output.

c) **Continued Demonisation of Palm Oil to Protect Domestic Oilseed Oils**

Ongoing stigmatisation of palm oil by western governments is perceived as a protective measure for other oilseed producers. The newly established European Union ("EU") regulations banning imports of commodities linked to deforestation are seen as blocking market access for palm oil into the EU region. Although the ban may not impact Europe's import of palm oil, it may have a reputational impact on palm oil products as a whole and possibly lead to false impressions on end-users. The Group's main buyers are from Africa, the Middle East, and the Indian Subcontinent. It's worth noting that the Malaysian Palm Oil Council ("MPOC") is urging the EU to provide clearer guidelines on defining 'high-risk' countries under the recently approved Deforestation Regulation. The MPOC emphasises that existing scientific data already supports excluding Malaysia from this list. We are also hopeful that the forced labour regulations will not create trade barriers.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Preparing for Future Opportunities

Edible Oil Division is focused on broadening its customer reach in diverse markets, optimising cost and operations, and leveraging CRSB's recent business model restructuring for improving future profits and margins. The Group is undertaking essential enhancements and expansion of Palmtop and CRSB to support anticipated business growth by increasing in-house production capacities. The goal is to achieve a target capacity of 2,000 FCL and 1,000 FCL per month for Palmtop and CRSB respectively by 3rd Quarter FY2025. Despite challenges in entering European and US markets, the Group is optimistic about demand from other markets, anticipating sustained growth for consumer-packed palm oil-based cooking oil due to its higher yield nature. Given economic uncertainties and ongoing post-COVID recovery, many countries are likely to seek competitively priced edible oils.

TAP AND SANITARYWARE DIVISION

The tap and sanitary ware division is highly dependent on the construction sector. We are optimistic of the potential to turnaround the division's performance as we have secured orders for the current Mass Rapid Transit (MRT) and Light Rail Transit (LRT) projects. We also strongly believe that demand in the private housing renovation including the Do-It-Yourself (DIY) market will lead to positive growth for the division.

Mega Transport Projects

The division aims to improve profitability by focusing on transportation mega projects, healthcare, and retail. The Government's efforts to improve intra-city public transportation present an opportunity for market expansion. We have supplied to MRT 2 and are currently supplying to LRT 3, which strengthens our bid for upcoming projects such as the MRT 3 (31 stations) and Bayan Lepas, Penang, and ECRL (23 stations).

Endemic Phase Hospital Construction

Hospital construction and expansions during this endemic phase will drive growth for the division's medical series tap wares and clinical series products. Our strong supply track record to hospitals nationwide will give us an advantage in bidding for such projects. Additionally, the division is focusing on R&D efforts to develop products suitable for the healthcare market to increase profitability.

Growing Consumer Segment

The retail industry for taps and sanitary ware is poised for growth as consumers become more skilled in DIY home improvements, thus growing the retail segment. The Division plans to introduce appealing designs and improved packaging to target this market. We are also increasing online sales through platforms like Lazada and Facebook, and other online sales portals. The Division also offers attractive packages to retailers to boost revenue in the near future.

Notwithstanding the opportunities and value of the DOE Group, the CIH Group intends to divest this Division to interested parties in order to focus on the Edible Oil Division. The potential divestment will facilitate the Group's effort and resources to further drive the edible oil business growth through more synergistic investments.

Dividend Policy

The Group does not have a dividend policy in place due to potential future requirements of funds for expansions and growth.

SUSTAINABILITY STATEMENT

Sustainability is a fundamental aspect of C.I. Holdings Berhad ("CIH" or "the Company") and its subsidiaries' (the "Group") business practices, serving as a guiding principle in its decision-making and development processes. The Group's sustainability strategy is established by the Board of Directors, who is responsible for supervising corporate sustainability performance. The Group Managing Director oversees the implementation of the sustainability approach and ensures that targets are achieved.

The Sustainability Statement outlines the overview of our sustainability practices and performance for the financial year ended 30 June 2023. This encompasses corporate governance, prioritising stakeholders' interests, fostering a safe, healthy, and harmonious working environment for all employees, and contributing to the communities in which we operate. The Group recognises the importance of integrating sustainability into its core strategy and business operations, viewing it as a source of competitive advantage to mitigate risks and capitalise on business opportunities.

As we emerge from the challenges of the COVID-19, the urgency for an enhanced comprehensive sustainability strategy has never been more crucial for shaping our collective future. Sustainability presents an opportunity to promote top-line economic and social growth while retaining a long-term competitive advantage through its commitment to minimising environmental impact. The Group's sustainability framework is centred on evaluating economic, environmental, and social risks and opportunities, aligning with the corporate governance framework and corporate social responsibilities outlined in the Bursa Malaysia Securities Berhad's Sustainability Reporting Guide.

Materiality

The Group identifies and prioritises the most relevant sustainability issues to the business and stakeholders. An issue is considered material when two (2) conditions are met. Firstly, an issue is deemed material if it influences the business aspects of growth, costs, risks, and trust. Secondly, it is significant to stakeholders, including customers, employees, governments, investors, non-governmental organisations ("NGOs"), and suppliers.

In assessing the materiality of an issue, the Group considers its alignment with the Group's Mission and Vision. The materiality assessment enables the prioritisation of sustainability issues throughout the value chain, ensuring the sustainability and continuity of our business.

Economic, Environmental And Social ("EES") Impacts

The Group recognises its impacts on stakeholders' economic conditions and systems, natural ecosystems, and social systems within its operational scope.

The Group has developed a comprehensive issues list through engagements with internal and external stakeholders, including:

- 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 implemented an ongoing process to document and update emerging concerns raised by stakeholders during engagements in the list.

Outcome Of The Materiality Assessment

The Sustainability Statement outlines the Group's non-financial performance and identifies areas for improving sustainability management and processes. This helps us improve reporting to meet stakeholders' expectations.

The assessment findings are presented in the materiality matrix below, having considered the impact on the Group's business and significance to both internal and external stakeholders.

SUSTAINABILITY STATEMENT

(continued)

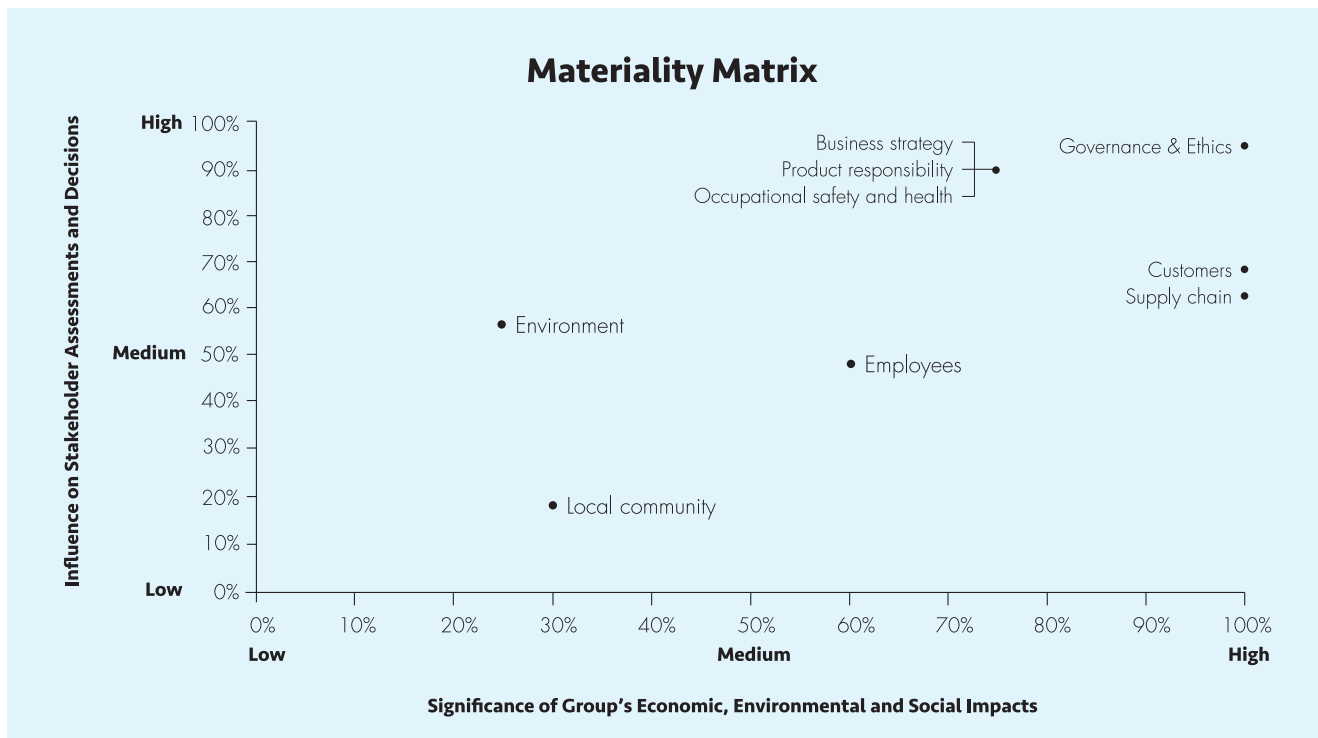


Figure 1 Materiality Matrix

The assessment identified nine (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, (ix) Local Communities

Business Strategy

The Group believes that the core strategy is the most crucial aspect of any business. To ensure seamless operations and secure access to financing, we prioritise cultivating robust relationships with our business partners, suppliers, and relevant authorities.

Given that a substantial portion of the Group's revenues comes from export sales, we acknowledge the significance of competitive pricing in international markets. Any decline in export sales due to competitive pricing abroad may significantly impact the bottom line and market share. To mitigate costs and enhance margins, the Group consistently strives to procure competitively priced materials.

Product Responsibility

Customer satisfaction is the Group's top most priority. Our commitment is to deliver products that comply with all regulatory, safety, and quality standards to ensure they meet our customers' requirements. We also strive to collaborate with suppliers who share our philosophy, reinforcing our dedication to excellence and customer satisfaction. Quality management systems have been established to oversee and regulate processes, from planning, development, production to after-sales services. This comprehensive approach ensures strict adherence to all standards.

The Group's Edible Oil division maintains continuous commitment to conforming with the food and quality standards mandated by the respective Government agencies and licensing bodies in Malaysia and the importing countries. Additionally, it adheres strictly to stringent food and quality standards set by our customers.

SUSTAINABILITY STATEMENT

(continued)

The Group has been endorsed with the following certifications and accreditations that aim to guarantee the quality of the products for consumption and use:

Edible Oil Division	Sanitary and Tapware Division
ISO 22000:2018 by AJA Europe	Malaysian Standard 1184:2014
HACCP by SIRIM QAS & by Ministry of Health Malaysia	British Standard BS EN 200:2008
HALAL by JAKIM	Malaysian Standard MS 795
KOSHER by Orthodox Jewish Community of Singapore	Malaysian Standard 1522:2021
GMP by Ministry of Health Malaysia	MS 147
MeSTI by Ministry of Health Malaysia	MS2578
RSPO by SIRIM QAS	BS EN 1213 :2000
MSPO by SIRIM QAS	MS2545 : 2014 /2022
	Malaysian Water Efficiency Product labelling Scheme
	SPAN TS 3005 : 2021
	SPAN TS 3004:2021
	MS 1799 : 2020
	BS 817 : 2008

To support the growth and adoption of sustainable oil palm products, the Edible Oil division is an active member of the Roundtable on Sustainable Palm Oil ("RSPO").

Occupational Safety And Health

At CIH, the wellbeing, health and safety of our workers is paramount. We aim to integrate safe and healthy behaviours and work practices into our everyday business. We actively seek to eliminate hazards and, where that is not reasonably practicable, to take steps to minimise the risks to our people and others impacted by our work.

We conduct occupational safety and health training to equip workers with the knowledge to identify workplace hazards and risks, to ensure a safe working environment. Our commitment to safety is evident via undertaking regular inspections and maintenance, including organising annual fire department assessments. The Group is also adequately insured to minimise any economic loss arising from an unforeseen event.

Our safety management system is currently implemented and is continuously improved to comply with relevant legislations and regulatory requirements. We have considered what a COVID-safe workplace would look like and how it would be effectively managed. We undertake reasonably practicable ways to eliminate or minimise workplace health and safety risks, and foster an inclusive culture which recognises the importance of health, safety and wellbeing of our workers and the public at large.

The Health and Safety Committee ensures that policies implemented are effective to create a safe working environment. The health and safety officer is certified by the National Institute of Occupational Safety and Health ("NIOSH"). The Health and Safety Committee has conducted the Chemical Health Risk Assessment ("CHRA"), Noise Mapping, Medical Exposure Monitoring, and audiometric tests according to the Occupational Safety and Health Act ("OSHA") 1994 to ensure compliance.

The Group prioritises clear and prompt communications on strict Standard Operating Procedures ("SOP") and best practices, as recommended by the Ministry of Health and the World Health Organisation. All foreign workers' accommodations are COVID-19 compliant and are regularly inspected by Malaysia's Ministry of Health, Majlis Perbandaran, and the National Security Council ("NSC").

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

Customers

The Group's primary customers are located overseas, making its businesses vulnerable to political or economic instability in destination countries. Critical sustainability concerns include contract non-payment, defaults, foreign exchange risks, and shortages of USD currency in the importing countries.

To mitigate these risks, the Group monitors customer credit performance and uses hedging instruments like foreign currency forward contracts for incoming remittances. Sales exposure is diversified across multiple countries and regions to reduce dependence to minimise potential financial impact.

SUSTAINABILITY STATEMENT

(continued)

Supply Chain

The Group is at risk of production halts due to potential disruptions in material supplies. This could result in additional costs due to overtime, delays in port delivery (special service request, "SSR"), and short shipping leading to delays in the subsequent shipment.

To mitigate supply chain risks, the Group on a daily basis monitors suppliers' credit limits, terms, and stock availability. This includes maintaining strong relationships with suppliers to ensure smooth operations despite disruptions. During this endemic period, the Group avoids overreliance on a few suppliers by engaging with multiple sources for raw material delivery.

Environment

The Group actively reduces its environmental impact by managing business operations in the following areas: raw material, energy usage, waste management, and supply chain optimisation.

The Group has an ongoing programme to eliminate product wastage. We practice product and packaging optimisation to minimise raw material usage and waste. Recycled packaging products are also preferred. Additionally, the Group strives to conserve energy and production inputs by optimising production processes. All waste management initiatives comply with regulations set by the Department of Environment.

The Group promotes an extensive range of water conservation products that aid customers in conserving water and energy. These products comply with Malaysia's Green Building Index ("GBI") and Singapore's Water Efficiency Labelling Scheme ("WELS").

In supply chain management, the Group prioritises suppliers who are ISO 14000 (Environmental Management System; "EMS") certified.

The Group's Edible Oil division implements procedures to minimise production wastage. Oil leakages from dented tins, jerry cans, and spoiled PET bottles are rejected and sent to the rework area. Salvaged oil spillage is then transferred to a dedicated bullet tank, subsequently filtered into a storage tank. Any remaining spillage that flows into the drain and is eventually collected by the oil trap system and sold as sludge oil to approved buyers.

Recyclable items like rejected jerry cans, PET bottles, plastics, shrink wraps, caps, inserts, carton boxes, and wooden pallets are collected and sent to the disposal area for approved buyers to purchase them as scrap items.

Governance & Ethics

Good corporate governance is a foundational attribute for a sustainable organisation. The code of conduct and ethics sets the tone as to how the organisation operates and behaves. It defines the relationship between the Board of Directors, Management, and the rest of the organisation. We are committed to strong governance and the fundamental principles of objectivity, integrity and professional behaviour which underpins our decisions.

We have a whistleblowing policy to provide a safe and confidential channel for reporting concerns. We encourage everyone to call out misconduct, including suspected wrongdoings and breaches of the law. The Group is committed to protecting individuals from being victimised in the workplace as a result of an actual or potential concern being raised. Our policy is designed to encourage and support individuals to report issues, knowing that it is safe to do so and that they will receive support.

The Group has established the Anti-bribery and Corruption Policy ("ABC") to ensure that the Company's business is conducted in a socially responsible manner. The Group's subsidiaries have participated in workshops on the Malaysian Anti-Corruption Commission Act 2009, focusing on the Provision on Corporate Liability as introduced by the Malaysian Anti-Corruption Commission (Amendment) Act 2018 to include a new Section 17(A), which stipulates that a commercial organisation will be committing an offence in cases where any associated person engages in corrupt practices.

It is our policy to conduct all our business in an honest and ethical manner. We apply a zero-tolerance approach to bribery and corruption. All complaints are confidentially investigated. Violations of this policy will lead to disciplinary action up to and including dismissal, as well as arrest and prosecution for any criminal acts. There were zero recorded cases of corruption as defined under the Provision for the current reporting year.

The Code of Conduct and Ethics, Whistleblowing policy, and Anti-bribery and Corruption guidelines are featured in our employee handbooks and on our website —www.cih.com.my—. These documents outline the expected standards of conduct and behaviour for our directors and employees.

Accurate, transparent, and timely financial reporting is crucial for efficient decision-making for the Group and stakeholders. We report our financial performance on a consolidated basis and regularly engage with stakeholders through quarterly result announcements and investor updates. The Group's financial and operational information is made public on our website —www.cih.com.my—.

SUSTAINABILITY STATEMENT

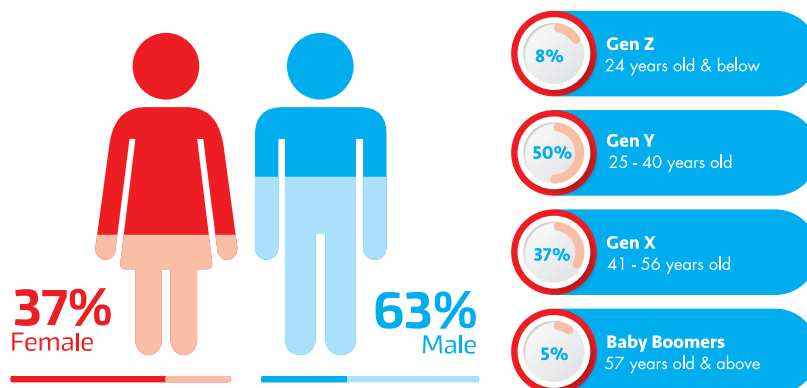
(continued)

Employee

The Group acknowledges its employees as its most valuable assets, playing a pivotal role in realising the Group's vision. Following a period of enormous change and disruption, we want to attract, retain, and develop diverse talent at all levels. This means recruiting from the widest possible pool of talent, removing barriers that can prevent our people from reaching their full potential, and fostering a fully inclusive environment.

A key focus of the Group is to support a diverse and inclusive workforce that is reflective of our values. We aspire to build a culture which we can all be proud of, one that is based on trust and respect. An uplifting environment where employees feel appreciated and empowered to be their authentic self. Our workplace is diverse and inclusive. Differences are celebrated and contributions are valued. We are committed to a recruitment approach where everyone has an equal opportunity to be their best.

Gender and Generational Composition of Employees within the Group:



CIH seeks to attract, develop, and retain high-quality people with the technical skills and capabilities to achieve our strategic objectives, and behaviours that are consistent with the Group's values. We offer competitive salaries that fully reflect our employees' value, which are reviewed annually. We value our talent and provide an environment for our employees to develop their careers. Good performance goes beyond turning a profit. We encourage employees to bring their passion and energy and relish every challenge for a rewarding journey with the CIH Group.

We practice a zero-tolerance approach to ensure staff are treated with dignity and respect. All aggressive or violent behaviour towards our staff, internal or otherwise, will not be tolerated under any circumstances. This includes unlawful discrimination, bullying or harassment — including sexual harassment, physical or racism to ensure that all policies are consistent with the Employment Act 1955 and their collective agreements. There were no breaches of any regulations for the current reporting year.

The Group takes pride in its commitment to safeguarding employees' well-being by consistently maintaining full take-home salaries, annual bonuses, and timely salary increments throughout the challenging past years. This dedication remains resolute even in anticipation of future challenges and uncertainties.

During the financial year, the Group was recognised by the Malaysian Productivity Corporation, Ministry of Human Resources, and the Ministry of International Trade and Industry as a Shared Prosperity Organisation for our implementation of the Productivity-Linked Wages System ("PLWS").

Local Community

Corporate responsibility is a core part of our corporate culture. As a Group, we are committed to being a responsible company. We are a socially aware organisation, continuously looking to create shared values. We care about the welfare of the community. This is embedded within our core values, identity, and culture. The Group is proud to foster a culture of giving and contribute to create a stronger, more equitable society. We endeavour to ensure that the impact we create results in a positive outcome.

The Group is committed to supporting organisations that make a difference in the community. We supported various charities and foundations through donations to assist communities that are in need of help. During the 2023 financial year, the Group donated approximately of MYR200,000.00 to the residents of the Federal Territories and the State of Johor to enhance their social welfare and to ease the financial burdens of beneficiaries.

SUSTAINABILITY STATEMENT

(continued)



Pictured: Datuk Seri Johari Bin Abdul Ghani (CIH Chairman) handing out financial aid to local students.

The total contributions were channelled to students that were returning to school. This included providing the necessary educational materials to support them through a Back-To-School campaign. Further aid was provided to students who were preparing for upcoming national examinations.

Monetary contributions were given to Persatuan Kebajikan O.K.U Malaysia to help support and maintain their operations. The Group also donated its edible oil products to underprivileged communities to assist in the rising cost of living.



Pictured : [left] En Mohammad Bin Alwi (CIH Group Managing Director) & [second from left] Dato' Sukumaran s/o Ramasamy (Palmtop Vegeoil Executive Chairman) with representatives from a local NGO.

The Group's dedication and commitment to local communities drives the Group to actively aid, support and contribute to marginalised groups. By fostering sustainable initiatives, supporting essential services, and empowering individuals, the Group fulfils its commitment to bringing about meaningful change and creating a lasting and positive impact for all.

Conclusion

Continuous improvement is at the heart of what we do. We are committed to being a sustainable organisation in addressing environmental, social, and governance ("ESG") issues. From small actions in our teams and communities to large-scale business decisions, we believe sustainability is everyone's business. We want to inspire, educate, and lead sustainable business practices both in our markets and in CIH.

By continually aligning our decisions and policies, we equip ourselves better to address present challenges and those that lie ahead. We have full confidence in our people, processes, and values to meet these demands and exceed expectations in the years to come.

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") practice 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 cognisant 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 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 shareholders' 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

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.

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 the 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 formulated 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/about-us/corporate-governance.

An Employee Manual, which was reviewed and updated on 21 November 2022 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 Whistleblowing Policy has been put in place. The 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, hazardous to health 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 reports 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 exhibits malpractice or impropriety. This policy is intended to cover concerns which are in the public interest and may be investigated separately may then lead to the invocation of other procedures e.g. disciplinary. These concerns may inter-alia include:

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

The employees are guided by the Whistleblowing Policy when relying on 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 natural justice. The investigator will report the outcome of the investigation to the GMD or Chairman.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

In addition, subsequent to the introduction of the Corporate Liability Provision for bribery and corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"), the Board had on 28 May 2020 approved the adoption of the Anti-Bribery and Corruption ("ABC") Policy which sets out the policies and procedures for 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 ABC Policy was reviewed and updated on 29 May 2023.

The details of the ABC Policy and Whistleblowing Policy are available on the Company's website at www.cih.com.my.

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.

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 ensure 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 2023, the Board has nine (9) members, comprising one (1) Executive Director and eight (8) Non-Executive Directors, of which three (3) of the Non-Executive Directors are Independent Directors, five (5) are Non-Independent Non-Executive Directors. The Alternate Director has resigned on 28 October, 2022. 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 2023, 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
Dato' Sukumaran s/o Ramasamy	Deputy Chairman, Non-Independent Non-Executive Director (Redesignated on 28 October 2022)	6/6
Mohammad Bin Alwi	Group Managing Director (Appointed on 3 January 2023)	2/2
Datin Mariam Prudence Binti Yusof	Non-Independent Non-Executive Director	6/6
Lee Cheang Mei	Non-Independent Non-Executive Director	6/6
Megat Joha Bin Megat Abdul Rahman	Non-Independent Non-Executive Director (Redesignated from Group Managing Director on 3 January 2023)	6/6
Sharina Binti Saidon	Senior Independent Non-Executive Director (Appointed on 28 October 2022 as Independent Non-Executive Director and redesignated on 1 March 2023)	3/3

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

Directors	Designation	No. of Board Meetings Attended
Dato' Sivananthan a/l Shanmugam	Independent Non-Executive Director (Appointed on 3 January 2023)	2/2
Mohammad Farish Nizar Bin Othman	Independent Non-Executive Director (Appointed on 3 January 2023)	2/2
Nor Hishammuddin Bin Dato' Mohd Nordin	Senior Independent Non-Executive Director (Resigned on 3 January 2023)	4/4
Teh Bee Tein	Independent Non-Executive Director (Resigned on 3 January 2023)	4/4
Kasinathan a/l Tulasi	Independent Non-Executive Director (Resigned on 3 January 2023)	3/4
Datuk Haji Ariffin Bin Imat	Independent Non-Executive Director (Resigned on 6 January 2023)	4/4

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

The Board takes cognisance of the recommendation to have gender diversity on the Board. 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, i.e. 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.

Succession planning for the GMD, Executive Directors, Chief Executive Officers of the Group and key management personnel is deliberated by the NC and thereafter makes necessary recommendations to the Board for its 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 Officers of the subsidiaries.

The Board, with the support of the Company Secretaries would assess the training needs of each director. The Directors of the Company attended and participated in various trainings, seminars and forums organised either internally or externally 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

Training programmes attended by Directors for the financial year ended 30 June 2023 were as follows:

Directors	Training Programme	Organiser	Date
Datuk Seri Johari Bin Abdul Ghani	MIA Conference 2023 - Future Fit Profession: Charting A Better Tomorrow.	Malaysian Institute of Accountants ("MIA")	13-14 June 2023
Dato' Sukumaran s/o Ramasamy	Palm Oil Conference 2023 (POC2023) - 34 th Palm & Lauric Oils Price Outlook Conference & Exhibition.	Bursa Malaysia Derivatives Berhad ("Bursa Derivatives")	6-8 March 2023
Mohammad Bin Alwi	Mandatory Accreditation Programme ("MAP")	Bursa Securities	7-9 February 2023
	Forum Contract & Arbitration Workshop.	The Palm Oil Refiners Association of Malaysia	8-9 May 2023
Datin Mariam Prudence Binti Yusof	Economic Outlook.	RAM Holdings Berhad	26 June 2023
Lee Cheang Mei	POC 2023 Palm Oil Familiarisation.	Bursa Derivatives	6 March 2023
Megat Joha Bin Megat Abdul Rahman	MIA Conference 2023 - Future Fit Profession: Charting A Better Tomorrow.	MIA	13-14 June 2023
Sharina Binti Saidon	MAP.	Bursa Securities	5-7 December 2022
	Managing Recurrent Related Party Transactions.	CKM Advisory Sdn Bhd	15 June 2023
Dato' Sivananthan a/l Shanmugam	Global Entertainment & Media Outlook 2022 – 2026.	Media Prima Berhad ("Media")	10 January 2023
	ESG Roadmap.		
	Digital Strategies for Business: Leading the Next Generation Enterprise.	Columbia Business School Executive Education	15 May 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

Directors	Training Programme	Organiser	Date
Mohammad Farish Nizar Bin Othman	Negotiation & Influencing Skills.	PEOPLElogy	10 February 2023
	International CEO Forum 2023.	Association of Development Finance Institutions of Malaysia	9-10 March 2023
	Webinar Series: Withholding Tax Principle & Practice and Transfer Pricing Concept.	Malaysian Association of Institute Chartered Secretaries and Administrators ("MAICSA")	3 April 2023
	Webinar Series: Risk Management.	MAICSA	4 April 2023
	[SSM Webinar] SSM x BNM: Company Secretaries as Reporting Institution under AMLA 2001.	Suruhanjaya Syarikat Malaysia ("SSM")	6 April 2023
	[SSM Webinar] Understanding Joint Ventures. Legal Considerations.	SSM	5 April 2023
	[SSM Webinar] Resolving Boardroom and Shareholders Disputes.	SSM	11 April 2023

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

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	75.0	-	-	21.0	-	96.0
Datin Mariam Prudence Binti Yusof	50.0	-	-	12.0	-	62.0
Megat Joha Bin Megat Abdul Rahman	12.5	-	-	7.0	-	19.5
Lee Cheang Mei	5.9	-	-	6.0	-	11.9
Sharina Binti Saidon	33.4	-	-	20.0	-	53.4
Dato' Sivananthan a/l Shanmugam	25.0	-	-	8.0	-	33.0
Mohammad Farish Nizar Bin Othman	25.0	-	-	13.0	-	38.0
Teh Bee Tein	17.5	-	-	29.0	-	46.5
Nor Hishammuddin Bin Dato' Mohd Nordin	17.5	-	-	27.0	-	44.5
Kasinathan a/l Tulasi	17.5	-	-	12.0	-	29.5
Datuk Haji Ariffin Bin Imat	17.5	-	-	14.0	-	31.5
Total	296.8	-	-	169.0	-	465.8

Executive Directors

Name	Salary/ Fees (RM'000)	Bonus ² / Gratuity** (RM'000)	Defined Contribution Plan – EPF ¹ (RM'000)	Other Emoluments/ Allowances (RM'000)	Benefits In-Kind (RM'000)	Total (RM'000)
Dato' Sukumaran s/o Ramasamy*	2,894	8,555	375	-	-	11,824
Mohammad Bin Alwi	485	650	114	2	16	1,267
Megat Joha Bin Megat Abdul Rahman	612	292**	73	50	23	1,050
Lee Cheang Mei*	600	-	29	-	30	659
Fung Heen Choon*	600	-	29	-	19	648
Total	5,191	9,497	620	52	88	15,448

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

² Bonus for the financial year ended 30 June 2023 inclusive of employee provident fund.

* Dato' Sukumaran s/o Ramasamy is an executive director of a subsidiary and his remuneration is paid out from such subsidiary and Ms. Lee Cheang Mei and Mr. Fung Heen Choon were executive directors of the subsidiary during the financial year under review.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

The remuneration (including salary, bonus, allowances, benefits-in-kind and other emoluments) of top six (6) 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
RM650,001 – RM700,000	Azril Akmar Bin Attan Akmar (Chief Executive Officer of Continental Resources Sdn Bhd)
RM600,001 – RM650,000	Baharuddin Bin Nasirun (Chief Operating Officer of Continental Resources Sdn Bhd)
RM550,001 – RM600,000	Azlan Bin Ahmad (Head-Corporate and Legal Affairs)
RM500,001 – RM550,000	Chaw Pei Yee (Senior Manager-Finance and Administration)
RM350,001 – RM400,000	Foo Loke Yean (Chief Executive Officer of Doe Industries Sdn Bhd)
RM250,001 – RM300,000	Amir Nashrin Bin Johari (General Manager of Chairman's Office)

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 is chaired by and Independent Non-Executive Director. They are:

Members	Designation
Mohammad Farish Nizar Bin Othman Independent Non-Executive Director (Appointed on 3 January 2023)	Chairman
Sharina Binti Saidon Senior Independent Non-Executive Director (Appointed on 28 October 2022)	Member
Dato' Sivananthan a/l Shanmugam Independent Non-Executive Director (Appointed on 6 January 2023)	Member
Teh Bee Tein Independent Non-Executive Director (Resigned on 3 January 2023)	Chairperson
Nor Hishammuddin Bin Dato' Mohd Nordin Senior Independent Non-Executive Director (Resigned on 3 January 2023)	Member
Kasinathan a/l Tulasi Independent Non-Executive Director (Resigned on 3 January 2023)	Member
Datuk Haji Ariffin Bin Imat Independent Non-Executive Director (Appointed on 3 January 2023, subsequently resigned on 6 January 2023)	Member

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

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 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 criteria 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 of 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 2023 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 a cooling-off period of at least three (3) years before being eligible to be appointed as member of AC.

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

The detailed roles, functions, responsibilities and summary of work undertaken by the AC during the financial year ended 30 June 2023 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 the 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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

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 Investor Relations 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 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 facilitates the Government of Malaysia to curb the spread of coronavirus disease ("COVID-19") in year 2022, the Group had on 26 October 2022 successfully conducted its Forty-Fourth Annual General Meeting entirely via remote participation and electronic voting. This is in accordance to Section 327 of the Companies Act 2016 and Clause 66 of the Group's Constitution which allow 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.

Focus Areas and Future Priorities

The Board has recognises the importance of embedding sustainability practices into strategic priorities of the Group, so as to build long-term viability and value creation to the shareholders. The Board had on 29 June 2022 adopted the Fit and Proper Policy and reviewed various existing policies during the financial year, as part of its efforts to enhance the Company's corporate governance practices and align them with the latest regulatory requirements.

The Board will prioritise the integration of environmental, economic and governance considerations in the strategies and operations of the Group.

This Corporate Governance Overview Statement was approved by the Board of CIH on 23 August 2023.

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 2023 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") comprises Independent Non-Executive Directors. The AC Chairman possess the requisite 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
Mohammad Farish Nizar Bin Othman – Chairman <i>Independent Non-Executive Director</i> <i>(Appointed on 3 January 2023)</i>	2/2
Sharina Binti Saidon – Member <i>Senior Independent Non-Executive Director</i> <i>(Appointed on 28 October 2022)</i>	3/3
Dato' Sivananthan a/l Shanmugam – Member <i>Independent Non-Executive Director</i> <i>(Appointed on 6 January 2023)</i>	2/2
Teh Bee Tein – Chairperson <i>Independent Non-Executive Director</i> <i>(Ceased to hold office on 3 January 2023)</i>	4/4
Nor Hishammuddin Bin Dato' Mohd Nordin – Member <i>Senior Independent Non-Executive Director</i> <i>(Ceased to hold office on 3 January 2023)</i>	4/4
Kasinathan a/l Tulasi – Member <i>Independent Non-Executive Director</i> <i>(Ceased to hold office on 3 January 2023)</i>	3/4
Datuk Haji Ariffin Bin Imat – Member <i>Independent Non-Executive Director</i> <i>(Appointed on 3 January 2023, ceased to hold office on 6 January 2023)</i>	–

The AC held six (6) meetings during the financial year ended 30 June 2023. 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 to 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.

AUDIT COMMITTEE REPORT

(continued)

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 reviewing 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 audits.

- (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.
- (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 and to shareholders for approval.

- (d) The AC 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 2023.

The AC carried out an annual assessment on the performance of the 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 2023 at its meeting held last year on 23 August 2022.

- (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 the 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 2023, 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.

AUDIT COMMITTEE REPORT

(continued)

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:
- Cash Sales and Cash Collection for Doe Industries Sdn Bhd.
 - Bill of Lading Process Review for Palmtop Vegeoil Products Sdn Bhd.
 - Edible Oil Purchase Process Review for Continental Resources Sdn Bhd ("CRSB").
 - Bill of Lading Process Review for CRSB.

Through the follow-up reports from the 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 2023 and Internal Audit Plan for financial year ending 30 June 2024 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 to ensure that such transactions are undertaken on normal commercial terms and that internal control procedures employed are both sufficient and effective.

4. Internal Audit Function

The internal audit function of the Group is performed in-house and 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 2023 was RM530,933 (financial year ended 30 June 2022: RM495,500).

A summary of the internal audit cost is as follows:

Cost Category	RM ('000)	Percentage (%) of Total Cost
Manpower	502,989	94.74%
Travelling (inclusive of accommodation)	27,944	5.26%
Total	530,933	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 responses were presented to the AC and the Board for further deliberation.

During the year under review, the AC had four (4) 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's 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 2023.

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.

The Board has delegated specific responsibilities to the following Board and Management committees that support the Board in its risk management and internal control responsibilities:

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

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 eight (8) members, out of which three (3) are appointed representatives from the Board, two (2) of which are Independent Non-Executive Directors. The Chairperson 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 during the financial under review. 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 AC 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 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. 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. The new Employee Manual was reviewed and updated on 21 November 2022.
- (j) A Whistleblowing Policy is in place to help ensure conformance to the guidelines set out in the Employee Manual and Code of Conduct by enabling the employees of the Company to raise concerns in a responsible and effective manner. The Whistleblowing 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(continued)

- (k) 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.
- (l) 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 ("MACC") Act, set out adequate procedures a commercial organisation needs to put in place as a defense to a corporate liability charge under the MACC Act. The ABC Policy was last reviewed and updated on 29 May 2023.

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 CIH 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 CIH Group against any criminal liabilities in case of any corrupt practices of its employees and/or any person associated with the CIH 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.

The Board has received reasonable assurance from the Group Managing Director that the Group's risk management and internal controls system, in all material aspects, are operating adequately and effectively.

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 the 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

42	Directors' Report
47	Statement By Directors
47	Statutory Declaration
48	Independent Auditors' Report
51	Statements Of Financial Position
53	Statements Of Profit Or Loss and Other Comprehensive Income
54	Consolidated Statement Of Changes In Equity
55	Statement Of Changes In Equity
56	Statements Of Cash Flows
58	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 2023.

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 of the subsidiaries are selling, packing and marketing of all types of edible oil, manufacture and trading of household fittings and appliances and investment holding. Further 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	166,514	63,967
Attributable to:		
Owners of the parent	100,447	63,967
Non-controlling interests	66,067	—
	166,514	63,967

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 2022:	
Final dividend of 12.0 sen per ordinary share, paid on 11 October 2022	19,440

On 23 August 2023, the Board of Directors approved payment of a single tier dividend of 15.0 sen per ordinary share amounting to RM24,300,000. 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 REPORT

(continued)

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

Lee Cheang Mei

Sharina Binti Saidon (Appointed on 28 October 2022)

Mohammad Bin Alwi (Appointed on 3 January 2023)

Dato' Sivananthan a/l Shanmugam (Appointed on 3 January 2023)

Mohammad Farish Nizar Bin Othman (Appointed on 3 January 2023)

Fung Heen Choon (Alternate Director to Lee Cheang Mei) (Resigned on 28 October 2022)

Nor Hishammuddin Bin Dato' Mohd Nordin (Resigned on 3 January 2023)

Teh Bee Tein (Resigned on 3 January 2023)

Kasinathan a/l Tulasi (Resigned on 3 January 2023)

Datuk Haji Ariffin Bin Imat (Resigned on 6 January 2023)

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

Chaw Pei Yee

Foo Loke Yean

Wong Lip Wai

Muhammad Razid Bin Sawall

Ramkrishna Ramier Sankara Raman

DIRECTORS REPORT

(continued)

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 2023 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 1.7.2022	Bought	Sold	Balance at 30.6.2023
Shares in the Company				
<u>Direct interests:</u>				
Megat Joha Bin Megat Abdul Rahman	1,000,000	–	–	1,000,000
Lee Cheang Mei	11,055,700	3,000,000	(3,000,000)	11,055,700
Dato’ Sukumaran s/o Ramasamy	3,550,700	156,300	–	3,707,000
<u>Indirect interests:</u>				
Datuk Seri Johari Bin Abdul Ghani	53,400,000	–	–	53,400,000
Datin Mariam Prudence Binti Yusof	35,094,900	–	–	35,094,900
Shares in a subsidiary				
<i>Palmtop Vegeoil Products Sdn. Bhd.</i>				
<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' Benefits

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit 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 and remuneration received by certain Directors as Directors and Officers of subsidiaries as disclosed in Note 30 to the financial statements.

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

DIRECTORS REPORT

(continued)

Directors' Remuneration

Fees and other benefits of the Directors who held for office during the financial year ended 30 June 2023 are as follows:

	Group RM'000	Company RM'000
Fees	297	297
Allowances	171	171
Salaries, bonus and other emoluments	14,446	782
Defined contribution plans	621	73
Other employee benefits	292	292
	<u>15,827</u>	<u>1,615</u>

The estimated money value of benefits-in-kind for the Director of the Group and of the Company are RM88,000 and RM39,000 respectively.

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. The insurance premium paid by the Group and the Company for the financial year 2023 amounted to RM12,500.

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.
- (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.

DIRECTORS REPORT

(continued)

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

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.

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 2023 were as follows:

	Group RM'000	Company RM'000
Statutory audit	409	75
Other services	13	13
	<u>422</u>	<u>88</u>

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

.....
Datuk Seri Johari Bin Abdul Ghani

Director

Kuala Lumpur
15 September 2023

.....
Mohammad Bin Alwi

Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 51 to 107 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 2023 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
 15 September 2023

.....
Mohammad Bin Alwi
 Director

STATUTORY DECLARATION

I, Mohammad Bin Alwi (CA 31248) 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 51 to 107 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)
 15 September 2023)

Mohammad Bin Alwi

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 2023 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 51 to 107.

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 2023, 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 2023, the carrying amount of trade receivables of the Group was RM706,228,000 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 2023 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 ISAs, 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

Kuala Lumpur
15 September 2023

Rejeesh A/L Balasubramaniam

02895/08/2024 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	114,578	72,167	477	143
Right-of-use assets	6	22,346	15,450	378	1,032
Intangible assets	7	17,261	17,261	–	–
Investments in subsidiaries	8	–	–	54,500	54,500
Other investment	9	10	10	10	10
		154,195	104,888	55,365	55,685
CURRENT ASSETS					
Trade and other receivables	10	733,744	667,618	265	535
Inventories	11	71,678	109,635	–	–
Derivative financial assets	12	5,295	19,368	–	–
Current tax assets		1,354	6,097	350	330
Cash and bank balances	13	250,517	241,868	151,922	107,453
		1,062,588	1,044,586	152,537	108,318
TOTAL ASSETS		1,216,783	1,149,474	207,902	164,003
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	14	95,147	95,147	95,147	95,147
Reserves	15	315,173	233,646	111,279	66,752
		410,320	328,793	206,426	161,899
Non-controlling interests	8(c)	109,661	85,596	–	–
TOTAL EQUITY		519,981	414,389	206,426	161,899

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

(continued)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
LIABILITIES					
NON-CURRENT LIABILITIES					
Borrowings	16	719	1,942	–	–
Lease liabilities	6	9,674	4,555	–	465
Deferred tax liabilities	19	1,777	781	–	–
Retirement benefit obligations	20	194	223	–	–
		12,364	7,501	–	465
CURRENT LIABILITIES					
Trade and other payables	21	229,588	285,998	1,081	1,056
Derivative financial liabilities	12	31,000	36,674	–	–
Borrowings	16	420,254	401,957	–	–
Lease liabilities	6	2,739	1,592	395	583
Current tax liabilities		857	1,363	–	–
		684,438	727,584	1,476	1,639
TOTAL LIABILITIES		696,802	735,085	1,476	2,104
TOTAL EQUITY AND LIABILITIES		1,216,783	1,149,474	207,902	164,003

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 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	23	5,347,165	4,046,102	67,125	52,110
Cost of sales	24	(4,991,249)	(3,768,135)	–	–
Gross profit		355,916	277,967	67,125	52,110
Other operating income		40,433	3,019	3,891	1,665
Selling and distribution costs		(26,824)	(15,220)	–	–
Administrative expenses		(174,669)	(102,060)	(6,858)	(6,344)
Net loss on impairment losses on financial assets		(264)	(34,706)	(39)	(41)
Other operating expenses		(4,452)	(103)	–	–
Finance costs		(17,079)	(5,132)	(29)	(45)
Profit before tax	25	173,061	123,765	64,090	47,345
Tax expense	26	(6,547)	(4,405)	(123)	(122)
Profit for the financial year		166,514	119,360	63,967	47,223
Other comprehensive income, net of tax:					
Items that may be reclassified subsequently to profit or loss					
Gain on foreign currency translations		868	685	–	–
Total comprehensive income		167,382	120,045	63,967	47,223
Profit attributable to:					
Owners of the parent		100,447	66,487	63,967	47,223
Non-controlling interests		66,067	52,873	–	–
		166,514	119,360	63,967	47,223
Total comprehensive income attributable to:					
Owners of the parent		100,967	66,905	63,967	47,223
Non-controlling interests		66,415	53,140	–	–
		167,382	120,045	63,967	47,223
Earnings per ordinary share attributable to equity holders of the Company (sen):					
Basic	27	62.00	41.04		
Diluted	27	62.00	41.04		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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 2022		95,147	473	233,173	328,793	85,596	414,389
Profit for the financial year		–	–	100,447	100,447	66,067	166,514
Other comprehensive income, net of tax		–	520	–	520	348	868
Total comprehensive income		–	520	100,447	100,967	66,415	167,382
Transactions with owners							
Dividend paid	28	–	–	(19,440)	(19,440)	–	(19,440)
Dividend paid to non-controlling interest of a subsidiary	8(d)	–	–	–	–	(42,350)	(42,350)
As at 30 June 2023		95,147	993	314,180	410,320	109,661	519,981
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

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Company	Note	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
As at 1 July 2022		95,147	66,752	161,899
Profit for the financial year		–	63,967	63,967
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		–	63,967	63,967
Transaction with owners				
Dividend paid	28	–	(19,440)	(19,440)
As at 30 June 2023		95,147	111,279	206,426
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

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash Flows From Operating Activities					
Profit before tax		173,061	123,765	64,090	47,345
Adjustments for:					
Bad debts written off		950	103	–	–
Depreciation of property, plant and equipment	5	7,986	9,202	63	38
Depreciation of right-of-use assets	6	3,553	3,595	563	583
Dividends from a subsidiary	23	–	–	(63,525)	(48,510)
Fair value adjustments on derivative instruments	12	8,399	21,302	–	–
(Gain)/Loss on disposal of:					
– property, plant and equipment		(106)	108	–	–
– right-of-use assets		(516)	–	91	
Gain on termination of lease contracts		(12)	(3)	–	–
Impairment losses on:					
– trade and other receivables	10	10,490	34,989	–	–
– amounts owing by subsidiaries	10	–	–	39	44
Interest expense		17,079	5,132	29	45
Interest income		(4,671)	(1,673)	(3,879)	(1,653)
Inventories written back	11	(551)	–	–	–
Inventories written down	11	3,502	–	–	–
Property, plant and equipment written off	5	–	123	–	–
Provision for/(Reversal of) retirement benefit obligations	20	93	(355)	–	–
Reversal of impairment loss on trade and other receivables	10	(10,226)	(283)	–	–
Unrealised (gain)/loss on foreign exchange	25	(15,884)	1,527	–	–
Operating profit/(loss) before changes in working capital		193,147	197,532	(2,529)	(2,108)
Changes in working capital:					
Inventories		35,006	(37,407)	–	–
Trade and other receivables		(54,464)	(236,479)	(8)	19
Trade and other payables		(55,724)	105,033	25	(345)
Cash generated from/(used in) operations		117,965	28,679	(2,512)	(2,434)
Tax paid		(5,805)	(5,466)	(143)	(169)
Tax refunded		4,459	95	–	11
Contributions paid for retirement benefit	20	(122)	–	–	–
Net cash from/(used in) operating activities		116,497	23,308	(2,655)	(2,592)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023
(continued)

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash Flows From Investing Activities					
Advances to subsidiaries		–	–	(10,131)	(13,456)
Repayments from subsidiaries		–	–	10,370	16,605
Dividends received from a subsidiary		–	–	63,525	48,510
Withdrawal/(Placement) of deposits with maturity periods of more than 3 months		500	(500)	500	(500)
Interest received		4,671	1,673	3,879	1,653
Proceeds from disposal of:					
– property, plant and equipment		309	14	–	–
– right-of-use assets		805	–	–	–
Purchase of property, plant and equipment	5	(50,362)	(4,530)	(397)	(32)
Payments for right-of-use assets	6(c)	(1,947)	(486)	–	–
Net cash (used in)/from investing activities		(46,024)	(3,829)	67,746	52,780
Cash Flows From Financing Activities					
Dividends paid to shareholders	28	(19,440)	(19,440)	(19,440)	(19,440)
Dividends paid to non-controlling interests in a subsidiary		(42,350)	(41,690)	–	–
(Repayments)/Drawdowns of borrowings:	16(h)				
– bankers’ acceptances		(16,551)	(3,774)	–	–
– Islamic financing facilities		37,475	112,440	–	–
– term loans		(1,940)	(5,930)	–	–
Interest paid		(16,899)	(4,999)	(11)	(12)
Payments of lease liabilities	6	(2,817)	(2,091)	(671)	(600)
Net cash from/(used in) financing activities		(62,522)	34,516	(20,122)	(20,052)
Net increase in cash and cash equivalents		7,951	53,995	44,969	30,136
Effect of exchange rate changes on cash and cash equivalents		1,198	64	–	–
Cash and cash equivalents at beginning of financial year		226,868	172,809	92,453	62,317
Cash and cash equivalents at end of financial year	13(g)	236,017	226,868	137,422	92,453

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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 2023 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 15 September 2023.

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 of the subsidiaries are selling, packing and marketing of all types of edible oil, manufacture and trading of household fittings and appliances and investment holding. The further 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 33.1 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 2023
(continued)

4. Operating Segments (continued)

2023	Edible oil RM'000	Tap-ware and sanitary ware RM'000	Investment holding RM'000	Others RM'000	Total RM'000
Revenue					
Total revenue	6,337,321	21,155	67,125	–	6,425,601
Inter-segment revenue	(1,011,309)	(2)	(67,125)	–	(1,078,436)
Revenue from external customers	5,326,012	21,153	–	–	5,347,165
Interest income	754	38	3,879	–	4,671
Finance costs	(16,977)	(73)	(29)	–	(17,079)
Net finance (expense)/income	(16,223)	(35)	3,850	–	(12,408)
Depreciation of property, plant and equipment	7,768	155	63	–	7,986
Depreciation of right-of-use assets	2,773	217	563	–	3,553
Segment profit/(loss) before tax	180,277	(4,180)	(3,017)	(19)	173,061
Other material non-cash items:					
– Fair value adjustment on derivative instruments	8,399	–	–	–	8,399
– Unrealised (gain)/loss on foreign exchange	(15,886)	2	–	–	(15,884)
Additions to non-current assets other than financial instruments and deferred tax assets	60,994	9	397	–	61,400
Segment assets	1,027,411	23,720	164,298	–	1,215,429
Segment liabilities	688,626	3,857	1,485	6	693,974

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(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 2023
(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:

	2023 RM'000	2022 RM'000
Profit for the year		
Total profit for reportable segments	173,061	123,765
Tax expense	(6,547)	(4,405)
Profit for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	166,514	119,360
Assets		
Total assets for reportable segments	1,215,429	1,143,377
Current tax assets	1,354	6,097
Assets of the Group	1,216,783	1,149,474
Liabilities		
Total liabilities for reportable segments	693,974	732,718
Deferred tax liabilities	1,777	781
Current tax liabilities	857	1,363
Retirement benefit obligations	194	223
Liabilities of the Group	696,802	735,085

(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.

	2023 RM'000	2022 RM'000
Revenue from external customers		
Malaysia	51,780	54,430
Africa	4,076,971	3,060,193
Asia	940,116	729,827
Other regions	278,298	201,652
	5,347,165	4,046,102

(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 2023
(continued)

5. Property, Plant And Equipment

Group 2023	Balance as at 1 July 2022 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 2023 RM'000
Carrying amount									
Buildings	24,485	1,805	–	–	–	–	(967)	–	25,323
Freehold land	15,199	–	–	–	–	–	–	–	15,199
Plant and machinery	17,802	96	–	*	2,075	–	(5,895)	–	14,078
Office furniture and equipment	1,016	311	–	–	–	–	(324)	–	1,003
Renovation	6,849	180	–	–	67	–	(638)	14	6,472
Motor vehicles	761	1,221	(203)	–	–	224	(162)	–	1,841
Construction-in- progress	6,055	46,749	–	–	(2,142)	–	–	–	50,662
	72,167	50,362	(203)	*	–	224	(7,986)	14	114,578

	At 30 June 2023		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Buildings	34,425	(9,102)	25,323
Freehold land	15,199	–	15,199
Plant and machinery	62,834	(48,756)	14,078
Office furniture and equipment	5,136	(4,133)	1,003
Renovation	11,068	(4,596)	6,472
Motor vehicles	3,151	(1,310)	1,841
Construction-in-progress	50,662	–	50,662
	182,475	(67,897)	114,578

*Property, plant and equipment written off with carrying amounts less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

5. Property, Plant And Equipment (continued)

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 2023
(continued)

5. Property, Plant And Equipment (continued)

Company 2023	Balance as at 1 July 2022 RM'000	Additions RM'000	Disposal RM'000	Depreciation charge for the financial year RM'000	Balance as at 30 June 2023 RM'000
Carrying amount					
Office furniture and equipment	54	17	*	(20)	51
Renovation	88	–	–	(16)	72
Motor vehicles	1	380	–	(27)	354
	143	397	*	(63)	477

	As at 30 June 2023		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Office furniture and equipment	893	(842)	51
Renovation	522	(450)	72
Motor vehicles	388	(34)	354
	1,803	(1,326)	477

Company 2022	Balance as at 1 July 2021 RM'000	Additions 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

*Disposal property, plant and equipment with carrying amounts less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(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 renovation, 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 respectively are as follows:

	Group	
	2023 RM'000	2022 RM'000
Buildings	16,651	17,094
Freehold land	15,199	15,199
Plant and machinery	1,079	3,114
	<u>32,929</u>	<u>35,407</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

6. Leases

The Group as a lessee

Right-of-use assets

Carrying amount	Balance as at 1 July 2022 RM'000	Additions RM'000	Termination of lease contract RM'000	Disposals 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 2023 RM'000
Land	6,984	–	–	–	–	(451)	–	6,533
Buildings	6,238	9,067	(257)	–	–	(2,164)	(91)	12,793
Machineries	251	165	–	–	–	(233)	–	183
Office equipment	17	–	–	–	–	(6)	1	12
Motor vehicles	1,960	1,806	–	(289)	(224)	(699)	271	2,825
	15,450	11,038	(257)	(289)	(224)	(3,553)	181	22,346

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

6. Leases (continued)

The Group as a lessee (continued)

Lease liabilities

Carrying amount	Balance as at 1 July 2022 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 2023 RM'000
Buildings	4,548	8,926	(269)	(1,597)	112	53	11,773
Machineries	258	165	–	(246)	8	–	185
Office equipment	17	–	–	(6)	1	1	13
Motor vehicles	1,324	–	–	(968)	59	27	442
	6,147	9,091	(269)	(2,817)	180	81	12,413

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

The Company as a lessee

Right-of-use assets

Carrying amount	Balance as at 1 July 2022 RM'000	Disposal RM'000	Depreciation charge for the financial year RM'000	Balance as at 30 June 2023 RM'000
Buildings	881	–	(503)	378
Motor vehicles	151	(91)	(60)	–
	1,032	(91)	(563)	378

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

6. Leases (continued)

The Company as a lessee (continued)

Lease liabilities

Carrying amount	Balance as at 1 July 2022 RM'000	Payments of lease liabilities RM'000	Accretion of interest RM'000	Balance as at 30 June 2023 RM'000
Buildings	912	(531)	14	395
Motor vehicles	136	(140)	4	–
	1,048	(671)	18	395

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Represented by:				
Non-current liabilities	9,674	4,555	–	465
Current liabilities	2,739	1,592	395	583
	12,413	6,147	395	1,048

(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	2 to 10 years
Machineries	2 years
Office equipment	5 years
Motor vehicles	5 years

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

6. Leases (continued)

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

	Group	
	2023 RM'000	2022 RM'000
Purchase of right-of-use assets	11,038	1,016
Financed by finance lease	(9,091)	(530)
Cash payments on purchase of right-of-use assets	1,947	486

- (d) Certain land of the Group with a carrying amount of RM1,992,000 (2022: RM2,018,000) 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 respectively.

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Depreciation charge of right-of-use assets (included in cost of sales and administrative expenses)	3,553	3,595	563	583
Interest expense on lease liabilities (included in finance costs)	180	133	18	33
Expense relating to short-term leases (included in administrative expenses)	803	487	–	–
Expense relating to leases of low-value assets (included in administrative expenses)	45	21	–	–
Gain arising from termination of lease contracts (include in other income)	(12)	(3)	–	–
Gain on disposal of right-of-use assets (included in other income)	(516)	–	–	–
Loss on disposal of right-of-use asset (included in administrative expenses)	–	–	91	–
	4,053	4,233	672	616

- (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 RM3,665,000 and RM671,000 (2022: RM2,599,000 and RM600,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

6. Leases (continued)

- (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 undiscounted 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 2023					
Lease liabilities	2.28% - 4.10%	3,080	9,396	1,100	13,576
30 June 2022					
Lease liabilities	2.28% - 4.84%	1,682	3,954	1,100	6,736
Company					
30 June 2023					
Lease liabilities	2.28%	398	–	–	398
30 June 2022					
Lease liabilities	2.28%	602	469	–	1,071

- (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 2023
(continued)

7. Intangible Assets

Group 2023	Balance as at 1 July 2022/ 30 June 2023 RM'000
Carrying amount	
Goodwill	11,242
Trademark	6,019
	<u>17,261</u>

	As at 30 June 2023		
	Cost RM'000	Accumulated impairment loss RM'000	Carrying amount RM'000
Goodwill	11,242	–	11,242
Trademark	6,019	–	6,019
	<u>17,261</u>	<u>–</u>	<u>17,261</u>

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

	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
	<u>17,261</u>	<u>–</u>	<u>17,261</u>

(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") under edible oil segment 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. 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

7. Intangible Assets (continued)

(a) Goodwill (continued)

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 CGU are most sensitive to the following assumptions:

2023

	Key assumptions
Revenue growth rate for FY2024 - FY2028	3%
Gross profit margin for FY2024 - FY2028	7%
Pre-tax discount rate	9.88%
Terminal value	Zero growth rate

2022

	Key assumptions
Revenue growth rate for FY2023 - FY2027	3% - 4%
Gross profit margin for FY2023 - FY2027	4%
Pre-tax discount rate	8.90%
Terminal value	Zero growth rate

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.

(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.

The recoverable amount of the trademark under edible oil segment 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. The pre-tax discount rate applied to the cash flow forecast and projections, the forecasted growth rate used to extrapolate cash flows for the five-year period, and the calculations of value in use for the CGUs are most sensitive to the following assumptions:

2023

	Key assumptions
Revenue growth rate for FY2024	-59%
Revenue growth rate for FY2025 - FY2028	2%
Gross profit margin for FY2024 - FY2028	3%
Pre-tax discount rate	9.88%

2022

	Key assumptions
Revenue growth rate for FY2023 - FY2029	0% - 2%
Gross profit margin for FY2023 - FY2029	3%
Pre-tax discount rate	8.90%

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

8. Investments In Subsidiaries

	Company	
	2023 RM'000	2022 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.

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

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2023 %	2022 %	
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	Inactive
C.I. Edible Oils 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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(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
		2023 %	2022 %	
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
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
Subsidiary of Capital Aim Sdn. Bhd.				
C.I. Quarries (Nilai) Sdn. Bhd.	Malaysia	100	100	Inactive

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

8. Investments In Subsidiaries (continued)

(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
2023	
NCI percentage of ownership interest and voting interest (%)	40%
Carrying amount of NCI	109,661
Profit allocated to NCI	66,067
Total comprehensive income allocated to NCI	66,415
	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 allocated to NCI	52,873
Total comprehensive income allocated to NCI	53,140

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(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	
	2023 RM'000	2022 RM'000
Assets and liabilities		
Non-current assets	66,365	28,754
Current assets	808,975	794,038
Non-current liabilities	(1,603)	(1,080)
Current liabilities	(598,494)	(606,630)
Net assets	275,243	215,082
Results		
Revenue	5,168,305	3,823,471
Profit for the financial year	165,167	132,181
Total comprehensive income	166,035	132,850
Cash flows from operating activities	86,309	15,643
Cash flows used in investing activities	(39,461)	(2,054)
Cash flows from/(used in) financial activities	(81,621)	12,871
Net (decrease)/increase in cash and cash equivalents	(34,773)	26,460
Dividends paid to NCI	(42,350)	(41,690)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

9. Other Investment

	Group and Company	
	2023 RM'000	2022 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 is determined by reference to comparable market value of similar investments. 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.

10. Trade And Other Receivables

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
Trade receivables				
Trade receivables	742,695	644,890	–	–
Less: Impairment losses	(36,467)	(35,964)	–	–
	706,228	608,926	–	–
Other receivables				
Other receivables and deposits	16,046	5,961	238	222
Amounts due from subsidiaries	–	–	3,959	4,198
	16,046	5,961	4,197	4,420
Less: Impairment losses	–	(222)	(3,959)	(3,920)
	16,046	5,739	238	500
	722,274	614,665	238	500
Prepayments	11,470	52,953	27	35
	733,744	667,618	265	535

- (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 (2022: 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 due from subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and payable in cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(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.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group uses a provision matrix to measure the expected credit loss of trade receivables based on grouping of customers sharing the same credit risk characteristics and past due days. Expected loss rates are calculated using the roll rate method and probability of default method separately for exposure in different segments based on type of products.

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 the inflation rate and gross domestic product ("GDP") of the countries which the Group sells its goods as the most relevant factors for the edible oil segment and tap-ware and sanitary ware segment respectively, 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 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.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancement held by the Group.

Individual assessment of impairment of trade receivable are separately assessed when it is probable that cash due will not be received in full.

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
2023				
Expected loss rate	1.24%	8.48%	47.63%	
Gross carrying amount of trade receivables	529,460	183,001	30,234	742,695
Loss allowance	(6,548)	(15,519)	(14,400)	(36,467)
	<u>522,912</u>	<u>167,482</u>	<u>15,834</u>	<u>706,228</u>
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>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(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 2022	28,909	7,055	35,964
Charge for the financial year	445	10,045	10,490
Reversal of impairment loss	(7,027)	(2,977)	(10,004)
Exchange difference	17	–	17
As at 30 June 2023	22,344	14,123	36,467
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

Group	12-month ECL RM'000	Lifetime ECL - Credit impaired RM'000	Total RM'000
Other receivables and deposits			
As at 1 July 2022	–	222	222
Reversal of impairment loss	–	(222)	(222)
As at 30 June 2023	–	–	–
As at 1 July 2021	–	*	–
Charge for the financial year	–	222	222
As at 30 June 2022	–	222	222

Company	12-month ECL RM'000	Lifetime ECL - Credit impaired RM'000	Total RM'000
Other receivables and deposits			
As at 1 July 2022	*	–	*
Charge for the financial year	*	–	*
As at 30 June 2023	*	–	*
As at 1 July 2021	*	–	*
Charge for the financial year	*	–	*
As at 30 June 2022	*	–	*

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(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	12-month ECL RM'000	Lifetime ECL - Credit impaired RM'000	Total RM'000
Amounts due from subsidiaries			
As at 1 July 2022	—	3,920	3,920
Charge for the financial year	—	39	39
As at 30 June 2023	—	3,959	3,959
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

* 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.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while twelve-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve months after the end of the reporting period. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

The Group defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment delays and past due information.

The Group considers a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred, which includes debtors who are in significant financial difficulties or have defaulted on payments.

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 the inflation rate of the countries which the Group sells its goods as the most relevant factor for edible oil segment, whereas GDP of the countries which the Group sells its goods as the most relevant factor for tap-ware and sanitary ware segment and investment holding segment, 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 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

10. Trade And Other Receivables (continued)

- (h) Included in prepayments of the Group are advance payments to suppliers amounting to RM5,612,000 (2022: RM48,138,000).
- (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 16% (2022: 6%) 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Euro ("EUR")	268,325	116,667	–	–
United States Dollar ("USD")	407,064	473,321	–	–
Arab Emirates Dirham ("AED")	10,473	26	–	–
Singapore Dollar ("SGD")	7,668	51	–	–
Chinese Renminbi ("RMB")	–	20	–	–
RM	28,744	24,570	238	500
	<u>722,274</u>	<u>614,665</u>	<u>238</u>	<u>500</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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Effects of 10% (2022: 3%) changes to RM against foreign currencies				
Profit after tax and equity				
– USD/RM – strengthen	30,937	10,792	–	–
– USD/RM – weaken	(30,937)	(10,792)	–	–
– EUR/RM – strengthen	20,393	2,660	–	–
– EUR/RM – weaken	(20,393)	(2,660)	–	–

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 2023
(continued)

11. Inventories

	Group	
	2023 RM'000	2022 RM'000
At cost		
Raw materials	25,969	36,567
Work-in-progress	342	104
Finished goods	44,041	72,962
	<u>70,352</u>	<u>109,633</u>
At net realisable value		
Raw materials	1,326	2
	<u>71,678</u>	<u>109,635</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 RM4,586,500,000 (2022: RM3,322,000,000).
- (c) The amounts of inventories written down recognised in the statements of profit or loss are as follows:

	Group	
	2023 RM'000	2022 RM'000
Recognised in other operating expenses		
Inventories written down	3,502	–
Recognised in other operating income		
Inventories written back	(551)	–
	<u>2,951</u>	<u>–</u>

The Group reversed RM551,000 (2022: Nil) in respect of inventories written down in the previous financial years that were subsequently not required as the Group was able to sell those inventories above their carrying amounts.

12. Derivative Financial Instruments

	Group					
	2023			2022		
	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	1,405,868	–	(25,606)	1,255,247	–	(12,712)
Commodity forward contracts	7,744	5,295	(5,394)	(49,943)	19,368	(22,828)
Commodity futures contracts	–	–	–	9,112	–	(1,134)
		<u>5,295</u>	<u>(31,000)</u>		<u>19,368</u>	<u>(36,674)</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

12. Derivative Financial Instruments (continued)

- (a) Derivative financial instruments are classified as financial assets and financial liabilities measured at fair value through profit or loss.

The fair value of a forward foreign exchange contract is the amount that would be payable or receivable upon termination of the outstanding position arising and is determined by reference to the difference between the contracted rate and the forward exchange rate as at the end of each reporting period applied to a contract of similar amount and maturity profile.

The fair values of the above instruments have been estimated using the published market prices or quotes from reputable financial institutions or valuation techniques supported by observable market data.

Derivative financial instruments are categorised at 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 RM8,399,000 (2022: loss of RM21,302,000) 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
2023				
USD	184,075	811,179	4.41	3.7.2023 to 30.10.2023
EUR	116,400	594,689	5.11	3.7.2023 to 27.12.2023
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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

12. Derivative Financial Instruments (continued)

- (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
2023		
Commodity based		
Forward sales contracts	246,744	(5,394)
Forward purchase contracts	(239,000)	5,295
		(99)
2022		
Commodity based		
Forward sales contracts	130,262	19,368
Forward purchase contracts	(180,205)	(22,828)
		(3,460)

The exposure of the Group to price volatility was solely derived from palm products. If the price of palm products changes by 5% (2022: 3%), profit after tax and equity for the Group would have equally increased or decreased by approximately RM294,000 (2022: RM1,139,000).

13. Cash And Bank Balances

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	230,737	202,138	133,422	69,053
Deposits with licensed banks	19,780	39,730	18,500	38,400
	250,517	241,868	151,922	107,453

- (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 0.7% to 2.9% per annum and 2.5% to 2.9% per annum (2022: 0.07% to 1.99% per annum and 1.5% to 1.95% 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 150 days and 30 days to 150 days (2022: 8 days to 154 days and 16 days to 149 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

13. Cash And Bank Balances (continued)

(e) The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
RM	207,653	161,652	151,922	107,453
USD	28,441	51,772	–	–
SGD	2,379	3,086	–	–
EUR	11,692	21,027	–	–
Others	352	4,331	–	–
	<u>250,517</u>	<u>241,868</u>	<u>151,922</u>	<u>107,453</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	
	2023 RM'000	2022 RM'000
Effects of 10% (2022: 3%) changes to RM against foreign currencies		
Profit after tax and equity		
– EUR/RM – strengthen	889	479
– EUR/RM – weaken	(889)	(479)
– USD/RM – strengthen	2,162	1,180
– USD/RM – weaken	<u>(2,162)</u>	<u>(1,180)</u>

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.

(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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	230,737	202,138	133,422	69,053
Deposits with licensed banks	<u>19,780</u>	<u>39,730</u>	<u>18,500</u>	<u>38,400</u>
As reported in statements of financial position	250,517	241,868	151,922	107,453
Less: Deposits with maturity more than three (3) months	<u>(14,500)</u>	<u>(15,000)</u>	<u>(14,500)</u>	<u>(15,000)</u>
As reported in statements of cash flows	<u>236,017</u>	<u>226,868</u>	<u>137,422</u>	<u>92,453</u>

(h) Included in the bank balances of the Group are cash placed in Islamic accounts, which amounted to RM41,997,000 (2022: RM50,014,000).

(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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

14. Share Capital

	Group and Company			
	2023		2022	
	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.

15. Reserves

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Exchange translation reserve	993	473	–	–
Retained earnings	314,180	233,173	111,279	66,752
	315,173	233,646	111,279	66,752

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

16. Borrowings

	Note	Group	
		2023 RM'000	2022 RM'000
Non-current liabilities			
Secured:			
Term loans		–	923
Islamic financing facilities		719	1,019
		<u>719</u>	<u>1,942</u>
Current liabilities			
Secured:			
Term loans		1,004	2,021
Bankers' acceptances		75,347	91,898
Islamic financing facilities		343,903	308,038
		<u>420,254</u>	<u>401,957</u>
Total borrowings			
Term loans	17	1,004	2,944
Bankers' acceptances		75,347	91,898
Islamic financing facilities	18	344,622	309,057
		<u>420,973</u>	<u>403,899</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 respectively. 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 2023
(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 2023					
Floating rates					
Term loans	5.33%	1,004	–	–	1,004
Bankers' acceptances	2.11% - 5.10%	75,347	–	–	75,347
Islamic financing facilities	3.64% - 4.50%	343,903	719	–	344,622
		<u>420,254</u>	<u>719</u>	<u>–</u>	<u>420,973</u>
30 June 2022					
Floating rates					
Term loans	5.33% - 6.16%	2,021	923	–	2,944
Bankers' acceptances	1.19% - 3.70%	91,898	–	–	91,898
Islamic financing facilities	1.89% - 4.50%	308,038	826	193	309,057
		<u>401,957</u>	<u>1,749</u>	<u>193</u>	<u>403,899</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
2023				
Financial liabilities				
Term loans	1,017	–	–	1,017
Bankers' acceptances	75,347	–	–	75,347
Islamic financing facilities	344,182	798	–	344,980
Total undiscounted financial liabilities	<u>420,546</u>	<u>798</u>	<u>–</u>	<u>421,344</u>
2022				
Financial liabilities				
Term loans	2,112	926	–	3,038
Bankers' acceptances	91,898	–	–	91,898
Islamic financing facilities	308,114	1,084	204	309,402
Total undiscounted financial liabilities	<u>402,124</u>	<u>2,010</u>	<u>204</u>	<u>404,338</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(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	
	2023 RM'000	2022 RM'000
Profit after tax and equity		
– Increased by 1.0% (2022: 1.0%)	(3,199)	(3,070)
– Decreased by 1.0% (2022: 1.0%)	3,199	3,070

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

	Group	
	2023 RM'000	2022 RM'000
USD	16,082	208,174
RM	404,891	194,109
EURO	–	1,616
	420,973	403,899

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	
	2023 RM'000	2022 RM'000
Effects of 10% (2022: 3%) changes to RM against foreign currencies		
Profit after tax and equity		
– USD/RM - strengthen	(1,222)	(4,746)
– USD/RM - weaken	1,222	4,746

The exposure of the Group to the other currency was not significant, hence the effect of the changes in the exchange rate was not presented.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(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
2023					
As at 1 July 2022	2,944	91,898	309,057	6,147	410,046
Additions	–	–	–	9,091	9,091
Cash flows	(1,940)	(16,551)	37,475	(2,817)	16,167
Non-cash flows:					
– Accretion of interest	–	–	–	180	180
– Termination of lease contracts	–	–	–	(269)	(269)
– Unrealised loss on foreign exchange	–	–	(1,910)	–	(1,910)
– Foreign exchange movement	–	–	–	81	81
As at 30 June 2023	1,004	75,347	344,622	12,413	433,386
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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

16. Borrowings (continued)

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

	Lease liabilities (Note 6) RM'000
Company 2023	
As at 1 July 2022	1,048
Cash flows	(671)
Non-cash flows:	
– Accretion of interest	18
As at 30 June 2023	395
2022	
As at 1 July 2021	1,615
Cash flows	(600)
Non-cash flows:	
– Accretion of interest	33
As at 30 June 2022	1,048

17. Term Loans

	Group	
	2023 RM'000	2022 RM'000
Secured		
Term loans		
– non-current	–	923
– current	1,004	2,021
	1,004	2,944

- (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 2023
(continued)

18. Islamic Financing Facilities

	Group	
	2023 RM'000	2022 RM'000
Secured		
Islamic trade facilities		
– non-current	719	1,019
– current	343,903	308,038
	<u>344,622</u>	<u>309,057</u>

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

19. Deferred Tax Liabilities

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

	Group	
	2023 RM'000	2022 RM'000
As at 1 July 2022/2021	781	1,020
Recognised in profit or loss (Note 26)	996	(239)
As at 30 June 2023/2022	<u>1,777</u>	<u>781</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 2021	1,173	(153)	1,020
Recognised in profit or loss	(132)	(107)	(239)
As at 30 June 2022/1 July 2022	1,041	(260)	781
Recognised in profit or loss	(109)	1,105	996
As at 30 June 2023	<u>932</u>	<u>845</u>	<u>1,777</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unabsorbed capital allowances	4,413	4,313	376	369
Unused tax losses				
– Expires by 30 June 2028	5,056	5,056	736	736
– Expires by 30 June 2029	314	314	–	–
– Expires by 30 June 2030	2,022	2,022	–	–
– Expires by 30 June 2031	332	332	–	–
– Expires by 30 June 2032	1,681	1,681	–	–
– Expires by 30 June 2033	402	–	–	–
Other temporary differences	14,752	44,951	–	–
	<u>28,972</u>	<u>58,669</u>	<u>1,112</u>	<u>1,105</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.

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 2023
(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 statements of financial position are determined as follows:

	Group	
	2023 RM'000	2022 RM'000
Present value of unfunded retirement benefit obligations	194	223
Analysed as follows:		
Non-current liabilities		
– later than five (5) years	194	223

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

	Group	
	2023 RM'000	2022 RM'000
Current service cost	41	–
Past service cost	–	355
Interest cost	52	–
Expenses recognised in the statement of profit or loss and other comprehensive income included under administrative expenses	93	355

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

	Group	
	2023 RM'000	2022 RM'000
As at 1 July 2022/2021	223	578
Recognised in profit or loss	93	(355)
Contributions paid	(122)	–
As at 30 June 2023/2022	194	223

The principal actuarial assumptions used are as follows:

	Group	
	2023 %	2022 %
Discount rates	4.2	4.2
Expected rates of salary increases	5.0	5.0
Price inflation	2.5	2.5

The actuarial valuation dated 31 March 2022 was conducted by a professional actuary, which covered a three years estimation from 30 June 2022 to 30 June 2024.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

21. Trade And Other Payables

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade payables	121,658	138,729	–	–
Other payables	64,599	97,307	8	7
Accrued liabilities	43,331	49,962	1,073	1,049
	107,930	147,269	1,081	1,056
	229,588	285,998	1,081	1,056

- (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 (2022: 4 to 120 days) from the date of invoice.
- (c) Included in other payables of the Group are advance payments from customers amounting to RM45,258,000 (2022: RM87,294,000).
- (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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
EUR	3,923	11,127	–	–
USD	142,650	125,244	–	–
SGD	3,199	6,899	–	–
RM	79,035	141,991	1,081	1,056
RMB	1	244	–	–
AED	780	493	–	–
	229,588	285,998	1,081	1,056

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

21. Trade And Other Payables (continued)

- (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	
	2023 RM'000	2022 RM'000
Effects of 10% (2022: 3%) changes to RM against foreign currency		
Profit after tax and equity		
– USD/RM – strengthen	(10,841)	(2,856)
– USD/RM – weaken	10,841	2,856
– EUR/RM – strengthen	(298)	(254)
– EUR/RM – weaken	298	254

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

22. Commitments

Capital commitments

	Group	
	2023 RM'000	2022 RM'000
Capital expenditure in respect of purchase of property, plant and equipment:		
– Approved and contracted for	9,257	–

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

23. Revenue

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers				
– Sale of goods	5,347,165	4,046,102	–	–
– Management fees from subsidiaries	–	–	3,600	3,600
	5,347,165	4,046,102	3,600	3,600
Revenue from other sources				
– Dividend income from a subsidiary	–	–	63,525	48,510
	5,347,165	4,046,102	67,125	52,110
Timing of revenue recognition				
Transferred at a point in time	5,347,165	4,046,102	–	–
Transferred over time	–	–	3,600	3,600
Revenue from contracts with customers	5,347,165	4,046,102	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.

24. Cost Of Sales

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

25. Profit Before Tax

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
After charging:				
Auditors' remuneration to BDO PLT:				
– statutory audit	325	312	75	71
– non-statutory audit	13	13	13	13
Other auditors' remuneration:				
– statutory audit	84	71	–	–
Bad debts written off	950	103	–	–
Interest expense on:				
– bank overdraft	9	10	9	10
– term loans	307	271	–	–
– bankers' acceptances	3,025	2,659	–	–
– islamic financing facilities	13,556	2,056	–	–
– lease liabilities	180	133	18	33
– others	2	3	2	2
Loss on disposal of:				
– property, plant and equipment	–	108	–	–
– right-of-use asset	–	–	91	–
Net loss on foreign exchange:				
– unrealised	–	1,527	–	–
– realised	–	1,489	–	–
Inventories written down	3,502	–	–	–
Fair value loss on derivative financial instruments:				
– unrealised	8,399	21,302	–	–
– realised	79,475	11,365	–	–
And crediting:				
Interest income received from:				
– deposits with licensed banks	1,354	535	562	497
– short term investments	3,317	1,138	3,317	1,092
– subsidiaries	–	–	–	64
Gain on disposal of:				
– property, plant and equipment	106	–	–	–
– right-of-use asset	516	–	–	–
Gain on termination of lease contracts	12	3	–	–
Net gain on foreign exchange:				
– realised	16,987	–	–	–
– unrealised	15,884	–	–	–
Inventories written back	551	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

26. Tax Expense

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Malaysian income tax:				
Current tax expense	5,138	3,901	138	135
Under/(Over)-provision in prior years	42	15	(15)	(13)
	5,180	3,916	123	122
Foreign income tax:				
Current tax expense	363	780	—	—
Under/(Over)-provision in prior years	8	(52)	—	—
	5,551	4644	123	122
Deferred tax (Note 19):				
Relating to origination and reversal of temporary differences	1,219	(450)	—	—
(Over)/Under-provision in prior years	(223)	211	—	—
	996	(239)	—	—
	6,547	4,405	123	122

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

26. Tax Expense (continued)

- (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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax	173,061	123,765	64,090	47,345
Tax at Malaysian statutory income tax rate of 24% (2022: 24%)	41,535	29,704	15,382	11,363
Tax effects in respect of:				
– non-allowable expenses	2,739	5,525	796	677
– non-taxable income	(1,600)	(1,632)	(16,042)	(11,904)
– different tax rates in foreign jurisdiction	(239)	(319)	–	–
– deferred tax assets not recognised	632	11,230	2	–
– utilisation of deferred tax assets previously unrecognised	(7,759)	(1)	–	(1)
– tax incentives	(28,588)	(40,276)	–	–
	6,720	4,231	138	135
Under/(Over)-provision of income tax in prior years	50	(37)	(15)	(13)
(Over)/Under-provision of deferred tax in prior years	(223)	211	–	–
	6,547	4,405	123	122

- (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
2023			
Foreign currency translations	868	–	868
2022			
Foreign currency translations	685	–	685

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

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	
	2023 RM'000	2022 RM'000
Profit attributable to equity holders of the parent	100,447	66,487
	Unit'000	Unit'000
Weighted average number of ordinary shares in issue	162,000	162,000
	Sen	Sen
Basic earnings per ordinary share	62.00	41.04

(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			
	2023		2022	
	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 2022:				
Final single-tier dividend, paid on 11 October 2022	12	19,440	—	—
In respect of the financial year ended 30 June 2021:				
Final single-tier dividend, paid on 11 November 2021	—	—	12	19,440

On 23 August 2023, the Board of Directors approved payment of a single tier dividend of 15.0 sen per ordinary share amounting to RM24,300,000. The financial statements for the current financial year do not reflect this dividend.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

29. Employee Benefits

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salaries and wages	51,566	40,550	3,470	3,409
Social security contributions	315	240	16	13
Contributions to defined contribution plan	3,478	3,277	398	407
Defined benefit plan	93	(355)	–	–
Other employee benefits	1,113	534	543	202
	<u>56,565</u>	<u>44,246</u>	<u>4,427</u>	<u>4,031</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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Subsidiaries				
Management fee income	–	–	3,600	3,600
Interest income	–	–	–	64
Dividend income	–	–	63,525	48,510
Management fee expense	–	–	120	–
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 2023
(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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors of the Company				
Executive Directors:				
– Salaries, bonus and allowances	14,446	10,838	782	1,070
– Defined contribution plan	621	599	73	122
– Other employee benefits	292	–	292	–
	15,359	11,437	1,147	1,192
Non-Executive Directors:				
– Fees	297	375	297	225
– Allowances	171	135	171	135
– Other emoluments	–	2,280	–	–
	468	2,790	468	360
Total remuneration for Directors of the Company	15,827	14,227	1,615	1,552
Directors of Subsidiaries				
Executive Directors:				
– Salaries, bonus and allowances	1,219	1,333	–	–
– Defined contribution plan	118	116	–	–
	1,337	1,249	–	–
Non-Executive Directors:				
– Fees	60	60	–	–
– Allowances	–	–	–	–
	60	60	–	–
Total remuneration for Directors of subsidiaries	1,397	1,309	–	–
Other key management personnel of the subsidiaries:				
– Salaries, bonus and allowances	3,013	3,112	–	–
– Defined contribution plan	409	305	–	–
Total other key management personnel remuneration	3,422	3,417	–	–
Total compensation of key management personnel	20,646	18,953	1,615	1,552

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 RM88,000 and RM39,000 (2022: RM85,000 and RM31,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

31. Financial Guarantee Contracts

The Company has financial guarantee contracts of RM853,964,000 (2022: RM734,478,000) in respect of financial guarantees given to financial institutions for banking facilities granted to subsidiaries.

Financial guarantee contracts issued by the Company are those contracts that require payments to be made to reimburse the holders for losses they incur because the specified debtors fail to make payments when due in accordance with the terms of the debt instruments.

Financial guarantee contracts are recognised as financial liabilities at the time the guarantees are issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected loss model under MFRS 9 and the amount initially recognised less amortisation.

The fair value of financial guarantees is classified as Level 3 in the fair value hierarchy and is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

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 RM853,964,000 (2022: RM722,797,000). 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 2022 and 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

32. Capital And Financial Risk Management (continued)

(a) Capital management (continued)

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 2022 and 30 June 2023 are as follows:

	Group	
	2023 RM'000	2022 RM'000
Borrowings	420,973	403,899
Lease liabilities	12,413	6,147
Trade and other payables	229,588	285,998
Other liabilities	33,828	39,041
Total liabilities	696,802	735,085
Less: Cash and bank balances	(250,517)	(241,868)
Net debt	446,285	493,217
Equity	410,320	328,535
Net debt to equity ratio	1.09	1.50

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 2023.

(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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

32. Capital And Financial Risk Management (continued)

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

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.

(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.

The commodity forward contracts and commodity future contracts profile and sensitivity analysis of price fluctuation risk have been disclosed in Note 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023
(continued)

33. Adoption Of New MFRSs And Amendments To MFRSs

33.1 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>Annual Improvements to MFRS Standards 2018 - 2020</i>	1 January 2022
<i>Amendments to MFRS 3 Reference to the Conceptual Framework</i>	1 January 2022
<i>Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
<i>Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022

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.

33.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

The following are Standards of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
<i>MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Amendments to MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Amendments to MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
<i>Amendments to MFRS 101 Disclosure of Accounting Policies</i>	1 January 2023
<i>Amendments to MFRS 108 Definition of Accounting Estimates</i>	1 January 2023
<i>Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
<i>Amendments to MFRS 112 International Tax Reform - Pillar Two Model Rules</i>	Refer paragraph 98M of MFRS 112
<i>Amendments to MFRS 16 Lease liability in a sale and leaseback</i>	1 January 2024
<i>Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements</i>	1 January 2024
<i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-current</i>	1 January 2024
<i>Amendments to MFRS 101 Non-current Liabilities with Covenants</i>	1 January 2024
<i>Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability</i>	1 January 2025
<i>Amendments to MFRS 10 and MFRS 128 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 2023

Tenure	Location	Approximate land area (sq ft)	Approximate age of buildings (year)	Description	Date of acquisition	2023 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)	43	Factory for Manufacturing Tap wares	10/06/1978	619
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)	27	Factory for Manufacturing Sanitary wares	03/11/1995	4,555
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	18	Industrial land	20/09/2005	12,911
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	10	Industrial land	30/12/2012	11,472
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	5	Industrial land	15/03/2019	4,281
Leasehold	Building at PM 1529, Lot 14595 Seksyen 2, Mukim Bandar Ulu Kelang, Daerah Gombak. No.2, Lorong AU 4/19B, Taman Sri Keramat Tengah, 54200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.	–	–	Property building for business own use	21/03/2023	1,724

LIST OF PROPERTIES

PROPERTIES HELD BY THE GROUP AS AT 30 JUNE 2023
(continued)

Tenure	Location	Approximate land area (sq ft)	Approximate age of buildings (year)	Description	Date of acquisition	2023 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 PLO 470, Jalan Keluli 1, 81700 Pasir Gudang, Johor Darul Takzim.	87,120	15	Industrial land	20/02/2008	2,849
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	5	Industrial land	30/04/2019	8,644
						47,055

ANALYSIS OF SHAREHOLDINGS

AS AT 30 AUGUST 2023

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	159	6.83	1,737	0.00
100 - 1,000	820	35.22	639,810	0.39
1,001 - 10,000	1,027	44.12	3,984,141	2.46
10,001 - 100,000	256	11.00	7,259,402	4.48
100,001 to less than 5% of issued shares	62	2.66	65,169,110	40.23
5% and above of issued shares	4	0.17	84,945,800	52.44
Total	2,328	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	10,590,100	6.54	—	—
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:

1 Deemed interest by virtue of his substantial shareholding in JAG Capital Holdings Sdn Bhd.

2 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	Dato' Sukumaran s/o Ramasamy	3,707,000	2.29	—	—
2	Lee Cheang Mei	11,055,700	6.82	—	—
3	Megat Joha Bin Megat Abdul Rahman	1,000,000	0.62	—	—
4	Datuk Seri Johari Bin Abdul Ghani	—	—	53,400,000	32.96 ¹
5	Datin Mariam Prudence Binti Yusof	—	—	35,094,900	21.66 ²

Notes:

1 Deemed interest by virtue of his substantial shareholding in JAG Capital Holdings Sdn Bhd.

2 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.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 AUGUST 2023
(continued)

List Of Thirty (30) Largest Shareholders

No.	Name	No. of Shares	%
1	Cimsec Nominees (Tempatan) Sdn Bhd <i>CIMB for JAG Capital Holdings Sdn Bhd (PB)</i>	53,400,000	32.96
2	Lee Cheang Mei	11,055,700	6.82
3	UOB Kay Hian Nominees (Tempatan) Sdn Bhd <i>For Continental Theme Sdn Bhd</i>	11,000,000	6.79
4	Fung Heen Choon	9,490,100	5.86
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	Money Penny Sdn Bhd	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	3,707,000	2.29
10	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Syarifah Anita Ibrahim (CTS-SAI0004C)</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 (CTS-SAI0005C)</i>	3,646,400	2.25
12	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Azril Akmar Bin Attan Akmar (CTS-AAA0006C)</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	AllianceGroup Nominees (Tempatan) Sdn Bhd (7006509) <i>Pledged Securities Account for Erwin Selvarajah a/l Peter Selvarajah</i>	2,670,000	1.65
18	Cimsec Nominees (Tempatan) Sdn Bhd <i>CIMB For Continental Theme Sdn Bhd (PB)</i>	1,922,100	1.19
19	HSBC Nominees (Asing) Sdn Bhd <i>Exempt An for Bank Vontobel AG</i>	1,512,700	0.93
20	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Fung Heen Choon</i>	1,100,000	0.68
21	Megat Joha Bin Megat Abdul Rahman	1,000,000	0.62
22	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for RDS Network Sdn Bhd (CTS-RDS0001C)</i>	856,600	0.53

ANALYSIS OF SHAREHOLDINGS

AS AT 30 AUGUST 2023

(continued)

No.	Name	No. of Shares	%
23	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Leasing Corporation Sdn Bhd (CTS-LCS0001C)</i>	750,000	0.46
24	HSBC Nominees (Asing) Sdn Bhd <i>Exempt An for Bank Julius Baer & Co. Ltd. (Singapore BCH)</i>	618,700	0.38
25	HSBC Nominees (Asing) Sdn Bhd <i>Exempt An for Credit Suisse (SG BR-TST-ASING)</i>	447,900	0.28
26	UOB Kay Hian Nominees (Tempatan) Sdn Bhd <i>Exempt An for UOB Kay Hian Pte Ltd (A/C CLIENTS)</i>	385,400	0.24
27	Tan Sri Abdul Ghani Bin Abdul Aziz	360,000	0.22
28	Cimsec Nominees (Tempatan) Sdn Bhd <i>CIMB FOR RDS NETWORK SDN BHD (PB)</i>	339,100	0.21
29	Tong Kin Yoong	256,500	0.16
30	Lim Tow Kuang	252,300	0.16
		144,731,810	89.34

ADDITIONAL COMPLIANCE INFORMATION

Utilisation of Proceeds Raised From Corporate Proposals

The Company did not undertake any corporate proposals during the financial year.

Audit and Non-Audit Fees

The total amount of audit and non-audit fees paid/payable to the external auditors and their affiliated companies by the Group and the Company for the financial year ended 30 June 2023 were tabulated as follows:

	Audit Fees		Non-Audit Fees	
	Group RM	Company RM	Group RM	Company RM
i) BDO PLT	325,000	75,300	13,000	13,000
ii) BDO Tax Services Sdn Bhd	–	–	37,000	5,500
	325,000	75,300	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 2023 or entered into since the end of the previous financial year.

NOTICE OF FORTY-FIFTH ANNUAL GENERAL MEETING

Notice Is Hereby Given That the Forty-Fifth Annual General Meeting of the Company will be conducted on a virtual basis through live streaming from the broadcast venue at Boardroom, Suite A-11-1, Level 11, Hampshire Place Office, 157 Hampshire, No. 1, Jalan Mayang Sari, 50450 Kuala Lumpur on Friday, 27 October 2023 at 9:30 a.m. for the purpose of considering the following:

Agenda

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the Directors and the Auditors thereon.
2. To approve the payment of Directors' fees of RM296,800 for the financial year ended 30 June 2023.
3. To approve the payment of Directors' benefits up to an amount of RM250,000 for the period from 28 October 2023 until the next Annual General Meeting of the Company to be held in 2024.
4. To re-elect the following Directors who are retiring by rotation pursuant to Clause 100 of the Constitution of the Company and being eligible offer themselves for re-election:
 - (i) Datin Mariam Prudence Binti Yusof; and
 - (ii) Megat Joha Bin Megat Abdul Rahman.
5. To re-elect the following Directors who are retiring pursuant to Clause 103 of the Constitution of the Company and being eligible offer themselves for re-election:
 - (i) Sharina Binti Saidon;
 - (ii) Dato' Sivananthan a/l Shanmugam;
 - (iii) Mohammad Farish Nizar Bin Othman; and
 - (iv) Mohammad Bin Alwi.
6. To re-appoint 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 resolution:

7. **Authority under Sections 75 and 76 of the Companies Act 2016 ("the Act") for the Directors to allot and issue shares**

"THAT pursuant to Sections 75 and 76 of the Act, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, subject always to the Constitution of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issuance.

THAT pursuant to Section 85 of the Act, 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 new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

8. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution 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-FIFTH ANNUAL GENERAL MEETING

(continued)

BY ORDER OF THE BOARD
C.I. HOLDINGS BERHAD

ON POOI FONG (MAICSA 7018189 / SSM PC No. 202208000204)
TAI YUEN LING (LS 0008513 / SSM PC No. 202008001075)

Secretaries

Kuala Lumpur
27 September 2023

Notes:

1. The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Act, which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders will not be allowed to attend the Forty-Fifth Annual General Meeting in person at the broadcast venue on the day of the meeting.

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely via Remote Participation and Electronic Voting ("RPEV") facilities provided by Boardroom Share Registrars Sdn Bhd using the online meeting platform, <https://meeting.boardroomlimited.my>.

Kindly refer to the Administrative Guide for the Forty-Fifth Annual General Meeting for further information.

2. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 19 October 2023. Only a member whose name appears in such Record of Depositors shall be entitled to attend and vote at this meeting or appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.
3. Where a member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.
4. 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. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of Section 25A(1) of SICDA.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be 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, Malaysia or via electronic means through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. (Please follow the procedures as stipulated in the Administrative Guide) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting and in default the instrument of proxy shall not be treated as valid. Any notice of termination of person's authority to act as a proxy must be forwarded to the Company prior to the commencement of the Annual General Meeting or Adjourned Annual General Meeting.
7. For any corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative, executed in the manner as stated in the proxy form at the Registered Office at Suite A-11-1, Level 11, Hampshire Place Office, 157 Hampshire, No. 1, Jalan Mayang Sari, 50450 Kuala Lumpur.
8. The last date and time for lodging the proxy form is **Wednesday, 25 October 2023 at 9:30 a.m.**
9. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice of any general meeting will be put to vote by way of poll. Independent Scrutineer who is independent of the person undertaking the polling process, will be appointed to verify the results of the poll.

NOTICE OF FORTY-FIFTH ANNUAL GENERAL MEETING

(continued)

Explanatory Notes:

(i) Agenda No. 1 – Audited Financial Statements

This Agenda item is meant for discussion only as it does not require shareholders' approval pursuant to the provision of Section 340(1)(a) of the Companies Act 2016 ("the Act"). Hence, this item on the Agenda is not put forward for voting.

(ii) Ordinary Resolutions 1 and 2 - Directors' fees and benefits payable to Directors

Payment of Directors' fees and benefits under Section 230(1) of the Act provides amongst others, that the Directors' fees and any benefits payable to the Non-Executive Directors of the Company shall be approved at a general meeting.

The details of the proposed payment of Directors' fees for the financial year ended 30 June 2023, are as disclosed in the Corporate Governance Overview Statement of the Annual Report 2023.

In determining the estimated total amount of Directors' benefits payable, the Board has considered the anticipated number of meetings for the Board and Board Committees based on the existing Board composition. The Directors' benefit payable is also inclusive of allocation of expenses to be incurred for continuing education programmes for the Directors. Approval will be sought at the next Annual General Meeting for additional Directors' benefit, should there be any shortfall.

(iii) Ordinary Resolutions 3 to 8 - Re-election of Directors

The profiles of the Directors who are standing for re-election as per Agenda items 4 and 5 are set out in the Profile of Directors of the Annual Report 2023.

The Board had through the Nomination Committee, carried out the necessary assessment of the retiring Directors, namely Datin Mariam Prudence Binti Yusof, Megat Joha Bin Megat Abdul Rahman, Sharina Binti Saidon, Dato' Sivananthan a/l Shanmugam, Mohammad Farish Nizar Bin Othman and Mohammad Bin Alwi (collectively referred to as "Retiring Directors"). The Nomination Committee concluded that the Retiring Directors have:

- (i) met the criteria as prescribed under Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors;
- (ii) met the fit and proper criteria pursuant to the Directors' Fit and Proper Policy adopted; and
- (iii) those who are Independent Directors remain independent.

The Directors named above, who are the members of Nomination Committee and Board have abstained from deliberation and decision on their own eligibility and suitability to stand for re-election at the relevant Nomination Committee Meeting and Board of Directors' Meeting respectively.

(iv) Ordinary Resolution 10 - Authority pursuant to Sections 75 and 76 of the Act for the Directors to Allot and Issue Shares

The Ordinary Resolution 10 proposed under item 7 of the Agenda seeks the shareholders' approval of a general mandate for issuance of shares by the Company under Section 75 and 76 of the Act. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

The Company did not allot and issue any shares pursuant to the general mandate granted by the shareholders at the previous Annual General Meeting.

NOTICE OF FORTY-FIFTH ANNUAL GENERAL MEETING

(continued)

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADMINISTRATIVE GUIDE

ADMINISTRATIVE GUIDE FOR THE FORTY-FIFTH ANNUAL GENERAL MEETING ("45TH AGM" OR THE "MEETING")

The 45th AGM of the Company will be conducted on a virtual basis through live streaming from the broadcast venue, as below:

Virtual meeting platform	: https://meeting.boardroomlimited.my
Broadcast venue	: Boardroom, Suite A-11-1, Level 11, Hampshire Place Office, 157 Hampshire, No. 1, Jalan Mayang Sari, 50450 Kuala Lumpur
Day, Date and Time	: Friday, 27 October 2023 at 9:30 a.m.

1. Virtual Meeting

The Company will continue to leverage on technology to facilitate communication and engagement with shareholders by conducting the 45th AGM on virtual basis through live streaming and online voting via the Remote Participation and Electronic Voting ("RPEV") facilities in accordance with the Guidance Note and FAQs on the Conduct of General Meetings for listed issuers and all its subsequent revisions issued by the Securities Commission Malaysia. This is also in line with Practice 13.3 of the Malaysian Code on Corporate Governance 2021 which recommends that listed companies leverage on technology to facilitate remote shareholders' participation at general meetings.

The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the Meeting to be present at the main venue of the Meeting. Therefore, **NO SHAREHOLDERS/ PROXIES/ CORPORATE REPRESENTATIVES/ ATTORNEYS** shall be physically present nor admitted at the broadcast venue on the day of the Meeting.

Kindly ensure that you are connected to the internet at all times in order to participate in and/or vote at the Meeting. Therefore, it is your responsibility to ensure that connectivity for the duration of the Meeting is maintained. The quality of the live webcast as well as for electronic voting ("e-Voting") is dependent on the bandwidth and stability of the internet connection of the remote participants.

2. Entitlement to Participate and Vote

Only shareholders whose names appear in the Record of Depositors as at 19 October 2023 ("General Meeting Record of Depositors") shall be entitled to participate in and/or vote at the 45th AGM via RPEV facilities or appoint proxy(ies) or in case of a corporation to appoint corporate representative(s) to participate and/or vote on his/her/their behalf by returning the duly executed Form(s) of Proxy.

3. Form(s) of Proxy

If you are unable to attend and participate in the 45th AGM, you are encouraged to appoint a proxy or the Chairman of the 45th AGM as your proxy and indicate the voting instructions in the Form(s) of Proxy in accordance with the notes and instructions printed therein.

Please ensure that the ORIGINAL Form(s) of Proxy is/are deposited at the Company's registered office.

Alternatively, you may lodge your Form(s) of Proxy electronically through the Boardroom Smart Investor Portal ("BSIP") at <https://investor.boardroomlimited.com> (Kindly refer to item 7 below).

The Form(s) of Proxy must be received not less than forty-eight (48) hours before the time appointed for holding the 45th AGM i.e. latest by **Wednesday, 25 October 2023 at 9:30 a.m.**

4. Corporate Representative

For corporate shareholder who has appointed a representative(s) or attorney(s) to participate in the 45th AGM, please deposit the ORIGINAL Form(s) of Proxy, Certificate of Appointment or Power of Attorney, as the case may be, by hand or post to our registered office not later than **Wednesday, 25 October 2023 at 9:30 a.m.**

Upon verification against the General Meeting Record of Depositors, an email containing the username and password will be sent to the corporate representative(s) or attorney(s) by our Share Registrar. Please note that only one (1) user name will be provided to each corporate representative(s) or attorney(s).

ADMINISTRATIVE GUIDE

(continued)

5. Revocation of Proxy

If you have submitted your Form(s) of Proxy prior to the 45th AGM and subsequently decide to appoint another person as your proxy(ies) or wish to participate in the 45th AGM yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy(ies) not less than forty-eight (48) hours before the 45th AGM. Upon revocation, the proxy(ies) appointed by you previously will not be allowed to participate in the 45th AGM. In such event, you should notify your previous proxy(ies) accordingly.

6. Voting Procedure

Pursuant to Clause 82 of the Constitution of the Company and Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the 45th AGM will be conducted by poll. The Company has appointed our Share Registrar as the Poll Administrator to conduct the poll by way of e-Voting and Sky Corporate Services Sdn Bhd as the Independent Scrutineer to verify the results of the poll.

The e-Voting session will commence from the start of the 45th AGM at 9:30 a.m. on Friday, 27 October 2023 or such other time as announced by the Chairman and will continue until the time declared by the Chairman as the end of the e-Voting session.

7. Registration and procedure for Remote Participation and submission of eProxy Form

The RPEV facilities are available to (i) individual shareholders; (ii) corporate shareholders; (iii) authorised nominees; and (iv) exempt authorised nominees. You shall use the RPEV facilities to participate and vote remotely at the 45th AGM. You will be able to view a live webcast of the Meeting, pose questions and submit your votes in real time whilst the Meeting is in progress.

Kindly follow the steps below to register your participation as a shareholder or appointed proxy(ies) for the 45th AGM:

PROCEDURE	
Before the day of the 45 th AGM	Steps
1. Register/Sign-up as Online User with BSIP (For first-time registration only)	<p>[Note: If you have previously registered/signed-up with BSIP, you are not required to register again. You may proceed to Step (2).]</p> <ol style="list-style-type: none"> Access the website https://investor.boardroomlimited.com. Click <<Register>> to sign up as an online user. Please select the account type i.e. sign up as 'Individual Shareholder' or 'Corporate Holder'. Complete registration and upload softcopy of MyKad (front and back) or passport in JPEG, PNG or PDF format. For Corporate Holder, please upload the authorisation letter (template available) for Corporate Holder. Enter a valid mobile number and email address. You will receive an e-mail from our Share Registrar for e-mail address verification. Click 'Verify E-mail Address' from the e-mail received to continue with the registration. Once your email address is verified, you will be re-directed to BSIP for verification of mobile number. Click 'Request OTP Code' and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click 'Enter' to complete the process. Your registration will be verified and approved within one (1) business day and an email notification will be provided. You can login to BSIP with the email address and password provided during the registration to proceed with the next step.

ADMINISTRATIVE GUIDE

(continued)

PROCEDURE

Before the day of the 45th AGM

2. Submit request for remote participation

Note: You must be a registered BSIP user. If not, return to Step (1)

Steps

The registration for RPEV facilities will be opened from **Wednesday, 27 September 2023** until **Wednesday, 25 October 2023**, upon the commencement of the e-Voting session to be announced by the Chairman of the 45th AGM.

The instrument appointing a proxy must be received latest by **Wednesday, 25 October 2023 at 9:30 a.m.**

For Individual Shareholders

- a. Log in to <https://investor.boardroomlimited.com>
- b. Click '**Meeting Event(s)**' and select from the list of companies - '**C.I. HOLDINGS BERHAD 45th ANNUAL GENERAL MEETING**' and click '**Enter**'
- c. To attend the virtual 45th AGM remotely
 - Click '**Register for RPEV**'
 - Read and accept the general terms and conditions and enter your CDS account no. to submit your request
- d. To appoint proxy(ies)
 - Click '**Submit eProxy Form**'
 - For Corporate Shareholders, select the company you would like to represent (if represent more than one company)
 - Read and accept the general terms and conditions and enter your CDS account no. Then, insert your proxy(ies) details and voting instructions. If you wish your proxy(ies) to act upon his/her discretion, please indicate "**Discretionary**"

For Corporate Shareholders, Authorised Nominees and Exempt Authorised Nominees

- a. write to bsr.helpdesk@boardroomlimited.com and provide the name of the shareholder, CDS account no. and the Certificate of Appointment of Corporate Representative or Form(s) of Proxy or Power of Attorney (as the case may be).
- b. Provide a copy of Corporate Representative's MyKad (front and back) or passport in JPEG, PNG or PDF format and his/her valid mobile number and email address.




3. Verification and email notification

For Individual Shareholders, Corporate Shareholders, Authorised Nominees/ Exempt Authorised Nominees and Attorneys

- a. An email notification will be sent by our Share Registrar to notify that your request for remote participation has been received for system verification.
- b. Upon verification against the General Meeting Record of Depositors, you will receive an email from our Share Registrar on the day prior to the 45th AGM, i.e. Thursday, 26 October 2023 either approving or rejecting your request for remote participation.
- c. If your registration is approved, the said email will provide the Meeting ID, username and password for the 45th AGM.

ADMINISTRATIVE GUIDE

(continued)

PROCEDURE	
On the day of the 45 th AGM	Steps
4. Log in	<ol style="list-style-type: none"> The RPEV facilities will be accessible for log in on Friday, 27 October 2023 at 8:30 a.m., i.e. one (1) hour before the commencement of the 45th AGM. Click the link provided in the email in Step (3)c to join the 45th AGM. Insert the Meeting ID and sign in with the username and password provided to you via the same email.
5. Participate	<ol style="list-style-type: none"> Please follow the user guides in the email to view the live webcast, submit question(s) and vote. To view the live webcast, select the broadcast  icon To ask a question during the 45th AGM, select the messaging  icon. Type your questions in the chat box and click the send button to submit. <p>Note:</p> <ol style="list-style-type: none"> Questions submitted online will be moderated before being sent to the Chairman of the 45th AGM to avoid repetition. All relevant questions and messages will be presented with the full name of the participant raising the question(s).
6. Vote	<ol style="list-style-type: none"> Once voting has commenced, the polling  icon will appear with the resolutions and voting choices until such time that the Chairman declares the end of the voting session. To vote, select your voting preference from the options provided. A confirmation message will appear to indicate that your vote has been received. To change your vote, re-select your voting preference. If you wish to cancel your vote, please press 'Cancel'.
7. End	<ol style="list-style-type: none"> After closing of the voting session, the Chairman will wait for polling results to be furnished by the Independent Scrutineers and thereafter inform the shareholders/participants whether the resolutions are carried. Upon the announcement by the Chairman on the closure of the 45th AGM, the live webcast will end.

8. Submission of question(s)

Prior to the 45th AGM

Submit question(s) in relation to the agenda items of the 45th AGM by logging in to the BSIP at <https://investor.boardroomlimited.com> using the same user ID and password provided in Step 1 latest by Wednesday, 25 October 2023 at 9:30 a.m. Click **'Submit Questions'** after selecting **"C.I. HOLDINGS BERHAD 45TH ANNUAL GENERAL MEETING"** from **'Event(s) Meeting'**;

During the 45th AGM

Shareholders may also submit question(s) via the chat box at any time during the live streaming of the 45th AGM at <https://meeting.boardroomlimited.my> until such time as the Chairman decides.

The Chairman/Board/Management will endeavor to provide responses to the questions submitted/posed prior to/during the 45th AGM session. However, if the responses could not be provided during the 45th AGM due to time constraints, they will be recorded in the minutes of the 45th AGM of the Company which will be published on the Company's website at www.cih.com.my.

ADMINISTRATIVE GUIDE

(continued)

9. Gift Policy

There will be **NO DISTRIBUTION** of door gifts or e-vouchers for shareholders/proxies who participate in the Meeting.

10. No Recording or Photography

No recording or photography of the live streaming of the 45th AGM proceedings is allowed without the prior written permission of the Company.

11. Enquiries relating to the Meeting

If you have any enquiries prior to the 45th AGM, please contact our Share Registrar during office hours from Monday to Friday (8:30 a.m. to 5:30 p.m.) (except weekend and public holidays) as set out below:

Boardroom Share Registrars Sdn Bhd

Address	:	11 th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia
General line	:	603-7890 4700 (Helpdesk)
Fax number	:	603-7890 4670
Email	:	bsr.helpdesk@boardroomlimited.com



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-Fifth Annual General Meeting of the Company, to be held on a 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 Friday, 27 October 2023 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 ended 30 June 2023		
Ordinary Resolution 2	To approve the payment of Directors' benefits for the period from 28 October 2023 until the next Annual General Meeting of the Company		
Ordinary Resolution 3	To re-elect Datin Mariam Prudence Binti Yusof as Director		
Ordinary Resolution 4	To re-elect Megat Joha Bin Megat Abdul Rahman as Director		
Ordinary Resolution 5	To re-elect Sharina Binti Saidon as Director		
Ordinary Resolution 6	To re-elect Dato' Sivananthan a/l Shanmugam as Director		
Ordinary Resolution 7	To re-elect Mohammad Farish Nizar Bin Othman as Director		
Ordinary Resolution 8	To re-elect Mohammad Bin Alwi as Director		
Ordinary Resolution 9	To re-appoint BDO PLT as Auditors of the Company		
SPECIAL BUSINESS		FOR	AGAINST
Ordinary Resolution 10	Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares		

(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 _____, 2023

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

NOTES:

- The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Act, which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders will not be allowed to attend the Forty-Fifth Annual General Meeting in person at the broadcast venue on the day of the meeting. Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely via Remote Participation and Electronic Voting ("RPEV") facilities provided by Boardroom Share Registrars Sdn Bhd using the online meeting platform, <https://meeting.boardroomlimited.my>. Kindly refer to the Administrative Guide for the Forty-fifth Annual General Meeting for further information.
- For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 19 October 2023. Only a member whose name appears in such Record of Depositors shall be entitled to attend and vote at this meeting or appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.
- Where a member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.
- 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. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of Section 25A(1) of SICDA.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be 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, Malaysia or via electronic means through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> (Please follow the procedures as stipulated in the Administrative Guide) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting and in default the instrument of proxy shall not be treated as valid. Any notice of termination of person's authority to act as a proxy must be forwarded to the Company prior to the commencement of the Annual General Meeting or Adjourned Annual General Meeting.
- For any corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative, executed in the manner as stated in the proxy form at the Registered Office at Suite A-11-1, Level 11, Hampshire Place Office, 157 Hampshire, No. 1, Jalan Mayang Sari, 50450 Kuala Lumpur.
- The last date and time for lodging the proxy form is Wednesday, 25 October 2023 at 9:30 a.m.
- Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice of any general meeting will be put to vote by way of poll. Independent Scrutineer who is independent of the person undertaking the polling process, will be appointed to verify the results of the poll.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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