TOGETHER WE BUILD

CNI HOLDINGS BERHAD 181758-A

TOGETHER WE BUILD

Our theme captures the spirit of unity and the essence of togetherness in striving to achieve a set goal. It advocates our commitment towards collective achievements and sustainable business that draw on the power of compound efforts.

We believe in solidarity being the essence of a solid business, made possible by people from different walks of life, but with the ardent passion to achieve a shared goal.

TOGETHER WE BUILD is our stand while we embrace challenges and capitalise on our strength to focus on continuous progress.

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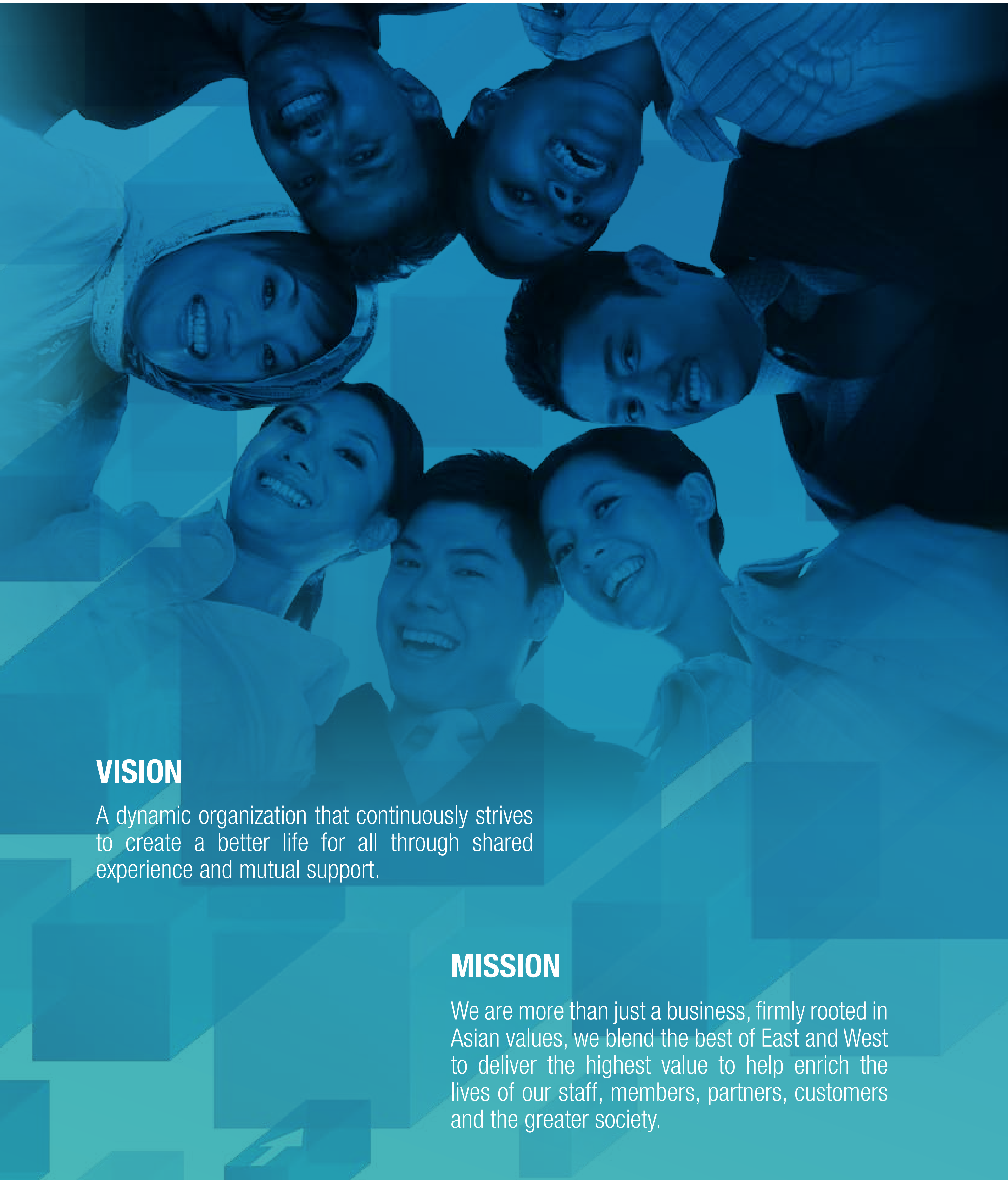


VISION

A dynamic organization that continuously strives to create a better life for all through shared experience and mutual support.

MISSION

We are more than just a business, firmly rooted in Asian values, we blend the best of East and West to deliver the highest value to help enrich the lives of our staff, members, partners, customers and the greater society.

FINANCIAL HIGHLIGHTS

YEAR ENDED 31 DECEMBER

Performance (RM'000)

	2011	2010	2009	2008	2007
Revenue	126,582	134,441	158,512	181,886	180,122
Profit Before Taxation	2,987	3,480	10,150	23,458	27,652
Attributable profit	2,010	2,285	6,485	16,961	20,811

Key Balance Sheet Data (RM'000)

Share Capital	72,000	72,000	72,000	72,000	72,000
Shareholders' Equity	104,342	105,726	107,954	111,272	100,944
Total Assets	135,970	134,700	141,013	149,520	137,857
Borrowings	105	117	299	179	206

Financial Ratios

Net Earnings Per Share ("EPS") (sen)	0.28	0.32	0.90	2.36	2.90
Net Dividend Per Share (sen)	0.30	0.61	1.35	0.89	1.62
Net Assets Per Share ("APS") (sen)	14.49	14.80	15.07	15.51	14.05
Gearing Ratio (%)	0.1%	0.1%	0.3%	0.2%	0.2%

CORPORATE PROFILE

One of the leading multilevel marketing companies in Malaysia, CNI Holdings Berhad has established its footholds since 1989.

Proud to be wholly Malaysian, CNI started as Homca Chemical Sdn Bhd and changed its name to Forever Young Holdings Sdn Bhd in 1991. Due to a restructuring in 2002 and subsequently a corporate exercise in 2004, it took its present name, CNI Holdings Berhad. In August 2005, it was listed on the Main Board of Bursa Malaysia Securities Berhad.

Founded by three bold entrepreneurs – Dato' Koh Peng Chor, Tan Sia Swee and Law Yang Ket, the path to success has been challenging. From a small double storey shoplot to what it is today, occupying an industrial plant space of 16,314 square metres, CNI has grown steadily and consistently.

Under their stewardship, the company ventured into Brunei and Singapore besides aggressively building its network locally. Over 200 products under 5 categories such as nutritional & health, personal care & cosmetics, food & beverage, auto care and lastly, household, are available to provide complete solutions to meet its consumers' daily lifestyle requirements and health concerns.

Moving well ahead, it expanded into manufacturing. Now, 70% of CNI products are manufactured through its wholly-owned subsidiaries namely Exclusive Mark (M) Sdn Bhd ("EM") and Q-Pack (M) Sdn Bhd ("QP").

EM and QP have been accredited with Good Manufacturing Practice (GMP) standards and ISO 9001:2000 certification, while much research and development (R&D) have and are being carried out with various laboratories and research institutions to further improve existing CNI products.

Yayasan CNI, CNI group's charity arm, has supported various local and international charity projects besides carrying out its unique Children Education Fund.

Believing in its mission of being more than just a business, CNI with its Asian values blends the best of the East and the West to constantly deliver the highest quality experiences to help the lives of its staff, members, partners, customers and the greater society.

Stepping into its next 20 years, CNI's vision to be a dynamic community where its shared experiences and mutual support are the building blocks towards a better life for all will be realized.

AWARDS & RECOGNITION

CNI won the Best Enterprise Brand of the Year 2010 for its ingenuity in pioneering the functional coffee market via CNI Café, and CNI Tongkat Ali Ginseng Coffee .

CNI won the International Standard Quality Award 2011 accredited by the EU Analysis Alliance (EUAA) for its excellence in fair trading, creating local brand excellence, positive corporate image, performance-based initiatives, active human capital training and diffusing ASEAN trading values.

CORPORATE EVENTS

A new discovery of "Metabolic Enzymatic Nutrient Exchange Process" that improves Life Enzyme's reactivity and function. The discovery and research was conducted by Dr. Chou Chi Fai from the National Chung Hsing University, Taiwan.

CNI launched it's brand-new and complete skin care series, Whyte Magic and with the endorsement by Miss Congeniality Universe 2009, Wang Jingyao.

CNI collaborated with Atelier des Parfums and launched Mon Amour, an alcohol-free, 1st. French-developed perfume certified HALAL by JAKIM.

A free health care seminar tour for the public was held nationwide to create better health care awareness among Malaysians which atrracted over 1,000 participants.

Exclusive Mark (M) Sdn Bhd took part in the 14th International Exhibition of Food & Drink, Hotel, Restaurant & Foodservice Equipment, Supplies & Services (HOFEX) 2011 held in Hong Kong as part of its efforts to promote its products and services.

Q-Pack (M) Sdn Bhd joined the Myanmar Exhibition, hosted by the Associated Chinese Chamber of Commerce & Industry of Malaysia (ACCCIM) and Myanmar Industries Association (MIA), to penetrate the Myanmar market.

CORPORATE EVENTS

Yayasan CNI joined the humanitarian aid mission to help flood victims in Thailand by donating product worth RM200,000 and providing free-flow of Up Café Suri Coffee dan CNI Tongkat Ali Ginseng Coffee.

4 Healthy Living Stores (also known as Retail Centres) are opened in Petra Jaya (Sarawak), Alor Star (Kedah), Brunei and Penang to offer customers a brand new business and shopping experience while fostering a healthy and active community.

Dream Come True Convention was conducted to recognise 3rd car Fund & Asset Fund Achiever and MDAM Louise Cheng.

About 34 children from Sabak Bernam Association For The Orphans and Underprivileged and representatives from the Scout Association of Malaysia received products and cash donations from Yayasan CNI.

Yayasan CNI donated CNI products and sent volunteers to help in a sales jamboree to raise fund for the Homepeace Old Folks Home in Ipoh, Perak.

CNI celebrated high-achieving students cum children of our distributors in a special Children Recognition Nite. Besides cash token, the children were also entertained with live performance, games and competition.

CHAIRMAN'S STATEMENT

Dear Esteemed Stakeholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report incorporating the Financial Statements of CNI for the year ended 31 December 2011.

FINANCIAL PERFORMANCE

The operating environment in 2011 was far tougher in terms of business challenges. Malaysia registered lower GDP growth of 5.1% in 2011 as compared to GDP growth of 7.2% registered the year before. The global economic outlook was further dampened by the renewed debt crisis in Europe and poor economic climate in the United States of America. The steady hike in petrol, sugar and flour prices has impacted consumer spending in 2011 as well.

In this context, the Group recorded a consolidated revenue of RM126.6 million, 6% lower than the same period last year. The Group registered a profit before tax of RM3.0 million while net profit stood at RM2.0 million with an underlying flat margin in 2011.

DIVIDEND

In view of the performance in 2011, the Board has declared an interim gross dividend of 0.4 sen per share with a total net dividend payout of RM2.1 million in respect of the financial year under review.

Dato' Koh Peng Chor
Chairman

CHAIRMAN'S STATEMENT

REVIEW OF OPERATIONS

Marketing & Trading

Almost 84% of the Group's revenue is contributed by the marketing and trading operations. The main contributor is still the food and beverage category which commands 34% of the Group's revenue.

The Group had reinvested significantly in incentive programmes, new product introductions, attractive product promotions, increased physical presence and product brand building to help CNI Members enhance their productivity in 2011.

There was an improvement in CNI Members' morale in 2011 as this was supported by an enhanced 2011 Business Development Plan and a well-executed National Convention. This in turn, translated into higher members' productivity which augured well for the growth of the Group.

The aggressive product launches and promotions had helped revived the members' momentum and provided them greater leverage to sell a wider range of products to their customers. Several new and upgraded products were introduced in the year under review. The product highlight of the year was The One-Mon Amour, the 1st French-developed, alcohol-free perfume certified HALAL by JAKIM.

In the health food products segment, we have introduced the use of the latest biotechnology breakthrough in the production process of our highly-acclaimed product, Well3 Life Enzyme. The new technology, called the Metabolic Enzymatic Nutrient Exchange Process, helps to enhance the reactivity of enzyme, thus increasing its health benefits. The breakthorugh was discovered by a professor from National Chung Hsing University in Taiwan, Dr. Chou Chi Fai, in a joint collaboration with CNI.

Promotions continued to be the catalysts for market activities and sales pull factors for CNI Members. For the year in review, a variety of creative campaigns and promotions were introduced, such as iPlan, iMembership, "Vote for CNI" and "Sure Win" that were targeted at different niche markets.

With the opening of four (4) more Healthy Living Stores, under our consumer base extension strategy, greater accessibility to our products has taken direct selling retail experience to a new height. All of our 6 stores in total are located in commercially developed areas and the Group believes that this investment provides a strong foundation for the growth of our membership and consumer base. Notwithstanding the costs associated with the setting up of these stores, it is viewed as a long-term investment to enhance CNI's competitive edge.

As at 2011, a total of 86 eSPs were established to help CNI Members in establishing their CNI business and expand their networks.

Manufacturing

Our manufacturing operations have been progressing steadily with an encouraging 3% revenue growth in 2011. This commendable result was driven by our external sales in both the domestic market and export business. Our external sales grew 7% to RM16.2 million compared to RM15.1 million in 2010.

On the contrary, higher input cost due to rising and higher cost of raw materials had been the main challenge of our manufacturing operations. This has put continuous pressure on our gross margins and it emphasises the need for further internal cost saving measures.

The manufacturer-owned coffee brand, Café 99 White Coffee, has gained the acceptance of the local retail market. Café 99 is currently penetrating into other selected international markets aggressively, namely in China, Hong Kong and the Netherlands.

Throughout the year, the Group continued to make the necessary capital investments to meet future higher production demand. Investments were channeled towards a new factory for Life Enzyme, one of CNI's key health food products from Taiwan.

CHAIRMAN'S STATEMENT

Retail - Food & Beverage

The company closed 4 outlets of Otak-Otak Place which were not financially viable and this resulted in improved profit margins and cash flow of the company.

Moving forward, the Group will constantly assess its development plans and strategies.

FUTURE PROSPECT

We anticipate 2012 to be another challenging year due to many uncertainties in the global economy. However, we believe that the country has good fundamentals and is sufficiently diversified to be resilient in facing the global uncertainties.

Direct selling remains one of the Group's core business. CNI will be rapidly expanding its business by leveraging on its extensive network and strategic positioning as a provider of high quality products through its unique network marketing system.

CNI will go back to the basics of direct selling by executing 4 essential steps– sponsoring, selling, servicing and schooling - as the foundation for its Members to build their business.

The increasing number of Healthy Living Stores opened nationwide has also enabled us to expand our business geographically and into different markets.

The Group is preparing to penetrate into the Thailand direct selling market. This new market, when fully operational, will further drive the Group's business and strengthen the Group' financial performance.

The Group's focus will remain in streamlining its resources, increasing productivity and reducing risks throughout. Continuous check and balance exercise on all business aspects while maintaining the highest efficacy is our priority.

Our manufacturing arm is confident of its export and external contracts favourable increase, which will result in the optimisation of its manufacturing capacity.

Nevertheless, I am confident that the Group, with its strategic initiatives on growth and productivity well supported by its balanced portfolio of brands, will be able to continue its momentum towards further business growth.

APPRECIATION

I have relinquished my position as CEO of CNI after having reached my retirement age of 60 in February this year. In the interim, I will hold the position of Chairman of CNI while the Board identifies and selects a suitable candidate to fill in the CEO's post.

Although I am no longer the CEO of the Company, I will nevertheless, always be available to the Management and the group for consultation and advice whenever required. I want to assure all our stakeholders that I am and will remain the controlling shareholder of CNI and my commitment to the Group, both financially and otherwise, is and will always be 100%.

The Board and the Company would also like to extend a warm welcome to Mr. Koh How Loon, the current CEO of CNI Enterprise (M) Sdn Bhd, who has been appointed to the Board as Executive Director with effect from 1 February 2012.

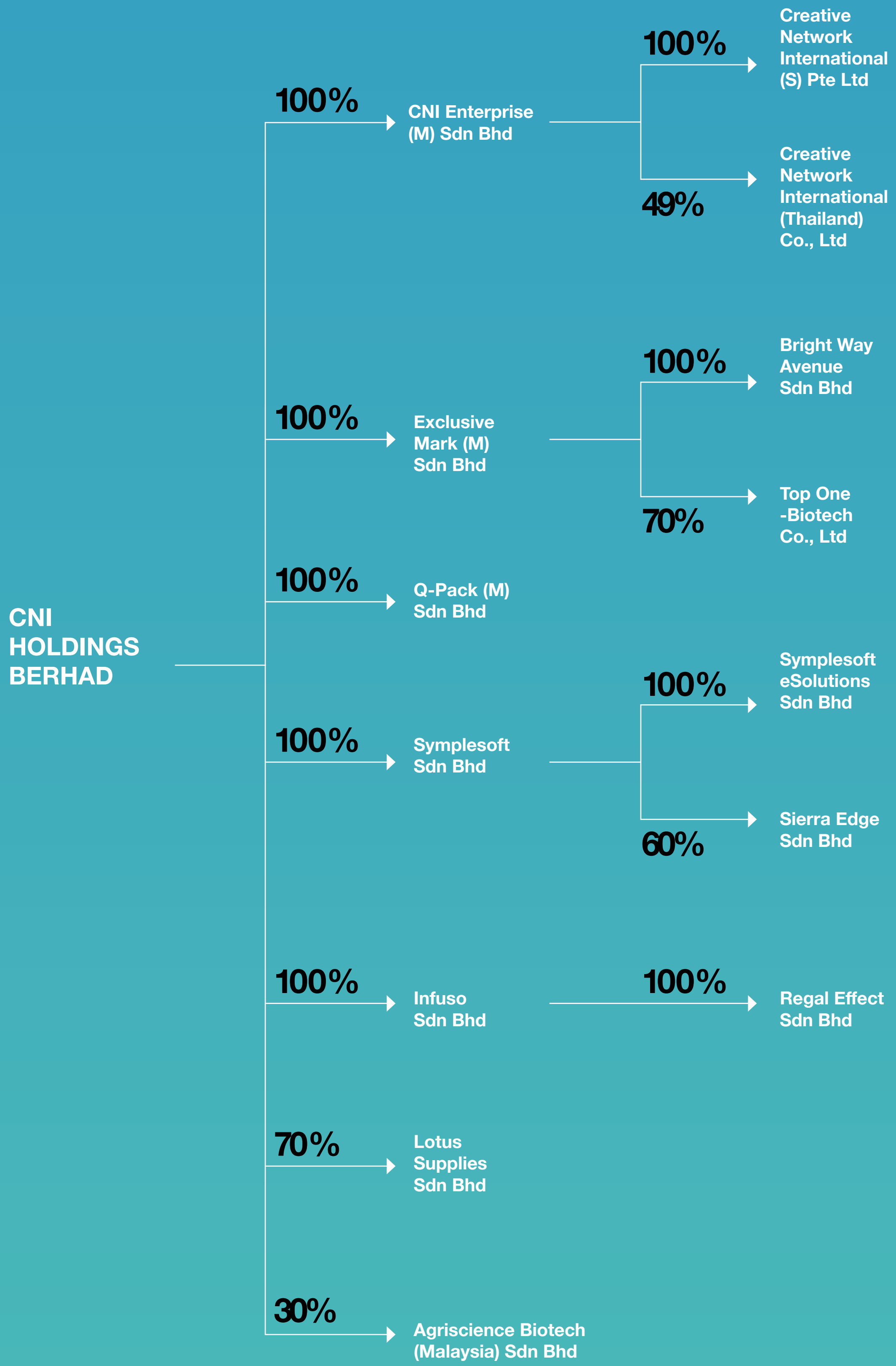
I would like to thank the Management and staff for their dedication and commitment to the Group and all our members, customers, business partners, regulatory authorities for their continued support and cooperation.

To all our shareholders, I wish to express my gratitude for your confidence, understanding and support to the Group.

To my fellow colleagues on the Board, thank you for your dedication, guidance and active participation. I look forward to your continual support.

Dato' Koh Peng Chor
Chairman
8 May 2012

GROUP STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Koh Peng Chor
Non-Executive Chairman
(Re-designated w.e.f. 1 February 2012)

Cheong Chin Tai
Executive Director

Koh How Loon
Executive Director
(Appointed w.e.f. 1 February 2012)

Tan Sia Swee
Executive Director

Law Yang Ket
Executive Director

Chew Boon Swee
Executive Director

Dr. Ch'ng Huck Khoon
Independent Non-Executive Director

Zulkifli Bin Mohamad Razali
Independent Non-Executive Director

Lim Lean Eng
Independent Non-Executive Director

AUDIT COMMITTEE

Dr. Ch'ng Huck Khoon
Chairman

Zulkifli Bin Mohamad Razali

Lim Lean Eng

NOMINATION COMMITTEE

Zulkifli Bin Mohamad Razali
Chairman

Dato' Koh Peng Chor
(Appointed w.e.f. 1 February 2012)

Dr. Ch'ng Huck Khoon

Lim Lean Eng

REMUNERATION COMMITTEE

Dato' Koh Peng Chor
Chairman

Chew Boon Swee

Dr. Ch'ng Huck Khoon

Zulkifli Bin Mohamad Razali

Lim Lean Eng

COMPANY SECRETARY

Chin Yoke Kwai
(MAICSA 7032000)

AUDITORS

Messrs Moore Stephens AC
Chartered Accountants
A-37-1, Level 37
Menara UOA Bangsar
No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur
Tel: 03-2302 1888   Fax : 03-2302 1999

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Wisma CNI, 2 Jalan U1/17, Seksyen U1
Hicom-Glenmarie Industrial Park
40000 Shah Alam
Selangor Darul Ehsan
Tel : 03-5569 4000   Fax : 03-5569 1078
E-mail: info@cniholdings.com.my
Website: www.cniholdings.com.my

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7841 8000   Fax : 03-7841 8151
Helpdesk Tel: 03-7849 0777

PRINCIPAL BANKERS

Malayan Banking Berhad (Shah Alam Branch)

SOLICITORS

Messrs Ong & Kok

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
(Listed since 4 August 2005)
(Stock code: 5104)

PROFILE OF DIRECTORS

DATO' KOH PENG CHOR
Non-Executive Chairman

Dato' Koh Peng Chor, a Malaysian, aged 60, was appointed to the Board of CNI on 11 December 1990. He also serves as the Chairman of the Remuneration Committee and Investment Committee and is a member of the Nomination Committee.

He received the Honorary Doctor of Philosophy in Multilevel Marketing by Summit University, USA in 1999. He has been a Fellow Member of the Institute of Marketing, Malaysia since 1997. As the main founder, he has been instrumental in the development and growth of the company. He assumed his current position as the Chairman of CNI in February 2012.

Dato' Koh is a major shareholder of the Company. His son, Mr. Koh How Loon, is also a member of the Board. His spouse, Datin Chuah Tek Lan is a major shareholder of CNI.

CHEONG CHIN TAI
Executive Director

Cheong Chin Tai, a Malaysian, aged 50, was appointed to the Board of CNI on 18 September 2003. He serves as the Chairman of Risk Management Committee and Executive Management Committee,and is a memeber of the Investor Relations Committee and Investment Committee.

He graduated with a Bachelor of Science from the University of Manitoba, Canada in 1987 and a Master of Business Administration from the University of Illinois, USA in 2001. He is a board member of the Direct Selling Association of Malaysia. He has been a member of the Malaysian Institute of Management since 2001. He began his career with Direct Circle Corporation as Marketing Executive in 1988 before joining Aetna Insurance Bhd as Branch Officer from 1990 to 1992. He was the Executive Director of Luxome Marketing Sdn Bhd from 1992 to 1993. He was also the Executive Director of CNI Hong Kong Ltd. from 1993 to 2001. He has been the Operations Director of CNI Enterprise (M) Sdn Bhd ("CNIE") and its CEO from 2001 to 2010. He assumed his current position as the Chairman of CNIE in 2011.

KOH HOW LOON
Executive Director

Koh How Loon, a Malaysian, aged 34, was appointed to the Board of CNI on 1 February 2012. He also serves as a member of the Executive Management Committee, Investment Committee, Risk Management Committee and Investor Relations Committee.

He graduated with a Bachelor of Administration in Supply Chain Management from the University of Michigan State, USA in 2001 and a Master in Business Administration from University of Victoria, Australia in 2006. He started his career with CNI Enterprise (M) Sdn Bhd ("CNIE") as Management Trainee in 2001. He was the Personal Assistant to the Group Chairman & CEO of CNI from 2005 to 2006. He was appointed as Executive Director of CNIE in 2007. He assumed his current position as the CEO of CNIE in 2011.

His father, Dato' Koh Peng Chor, is the Chairman of CNI and a major shareholder of CNI. His mother, Datin Chuah Tek Lan, is a major shareholder of CNI.

PROFILE OF DIRECTORS

TAN SIA SWEE
Executive Director

LAW YANG KET
Executive Director

Tan Sia Swee, a Malaysian, aged 52, was appointed to the Board of CNI on 11 December 1990. He also serves as the Chairman of Investor Relations Committee and is a member of the Executive Management Committee and Investment Committee.

He graduated with a Diploma in Malay Studies from Southern College of Johor Bahru in 1982. He started his career with The Federation of Selangor Guilds & Association, Kuala Lumpur as Executive Secretary in 1983. He is a co-founder of CNI. His current responsibilities include overseeing the Group's corporate communication.

Law Yang Ket, a Malaysian, aged 52, was appointed to the Board of CNI on 18 September 2003. He also serves as a member of the Executive Management Committee and Investment Committee.

He graduated with a Bachelor of Education from the National Taiwan Normal University, Taipei in 1983. He joined the Malaysia Chinese Association, MCA Youth Johor Branch as Executive Secretary in 1985. Subsequently in 1987, he took up the position of Consultant at Dynamic Leadership Development Consultancy. He is a co-founder of CNI. He is currently acting as a key advisor on marketing strategies and business development of CNI Enterprise (M) Sdn Bhd.

PROFILE OF DIRECTORS

CHEW BOON SWEE
Executive Director

DR. CH'NG HUCK KHOON
Independent Non-Executive Director

Chew Boon Swee, a Malaysian, aged 52, was appointed to the Board of CNI on 18 September 2003. He also serves as a member of the Executive Management Committee, Remuneration Committee, Investor Relations Committee and Investment Committee.

He graduated with a Bachelor of Science from the National Taiwan Chung Hsing University in 1983. He is a professional member of the Malaysian Institute of Food Technologist as well as an international member of the Institute of Food Technologist. He joined Empire Food Industries Sdn Bhd as Production Executive in 1984 and was the Production and R&D Executive with Fortune Lab (M) Sdn Bhd from 1987 to 1991. He is credited for setting up the GMP, ISO and HACCP accreditations for the manufacturing operations of Exclusive Mark (M) Sdn Bhd ("EM") and Q-Pack (M) Sdn Bhd ("QP"). He assumed his current position as the CEO of EM and QP in 2005. His current responsibilities include overall management for both manufacturing and operations.

Dr. Ch'ng Huck Khoon, a Malaysian, aged 43, was appointed to the Board of CNI on 1 March 2010. He also serves as the Chairman of Audit Committee and is a member of the Remuneration Committee and Nomination Committee.

He graduated with a Diploma in Commerce, Business Management from Tunku Abdul Rahman College Kuala Lumpur in 1993 and a Master of Business Administration (Finance) from University of Stirling, United Kingdom in 1994. He received the Doctor of Philosophy in Finance by the Universiti Sains Malaysia (USM) in 2001. He is an Associate Member of the Institute of Chartered Secretaries and Administrators (ICSA), United Kingdom. He is currently an Independent Non-Executive Director of YGL Convergence Berhad. He was a Capital Markets Services Representative License holder with A A Anthony Securities Sdn Bhd for 15 years. He was an Assistant Professor of the Universiti Tunku Abdul Rahman (UTAR) and a Senior Lecturer of the Wawasan Open University (WOU).

PROFILE OF DIRECTORS

ZULKIFLI BIN MOHAMAD RAZALI
Independent Non-Executive Director

LIM LEAN ENG
Independent Non-Executive Director

Zulkifli Bin Mohamad Razali, a Malaysian, aged 52, was appointed to the Board of CNI on 3 May 2005. He also serves as the Chairman of Nomination Committee and is a member of the Audit Committee and Remuneration Committee.

He graduated with a Bachelor of Arts in Accountancy Studies from Huddersfield University, United Kingdom in 1983, a Diploma in Management Studies from Warwick University, United Kingdom in 1985 and a Master of Science in International Economics & Banking from University of Wales, United Kingdom in 1988. He began his career with Bank Pembangunan Malaysia Berhad as Project Officer in 1983 before joining Commerce International Merchant Bankers (CIMB), Corporate Advisory Department from 1988 to 1993. He was the Managing Director of Marzin Transport Sdn Bhd from 1993 to 1997. He is currently the Managing Director of Marzin Sdn Bhd.

Lim Lean Eng, a Malaysian, aged 45. He was appointed to the Board of CNI on 16 November 2007. He also serves as a member of Audit Committee, Nomination Committee and Remuneration Committee.

He graduated with a Diploma in Financial Accounting from Tunku Abdul Rahman College, Kuala Lumpur in 1991. He is a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. He joined Oriental Capital Assurance Berhad as Manager, Accounts & Finance in 1995, and was the Investment & Property Manager with PC Marketing Sdn Bhd from 2005 to 2007. He is currently a Director of Daden Culture (M) Sdn. Bhd.

Notes:
Save as disclosed, the above Directors have no family relationship with any Director and/or major shareholder of CNI, have no conflict of interest with the Company and have not been convicted of any offence within the past 10 years.

Details of the Directors' attendance at Board meetings are set out in the Statement on Corporate Governance on page 20.

STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

The Board of Directors ("Board") of CNI Holdings Berhad recognises the importance and commits to the Principles and Best Practices of the Malaysian Code on Corporate Governance (Revised 2007) ("Code") pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Board further recognises that the principles of integrity, transparency and professionalism are key components for the Group's continued growth and success.

The Board is committed in ensuring that a high standard of corporate governance is adopted and practised throughout the Group in protecting and enhancing shareholders' value and in improving the Group's financial performance.

The Statement in the ensuing paragraphs describes how the Group has applied the principles and best practices of the Code throughout the financial year.

1. THE BOARD OF DIRECTORS

a) Roles and Principal Duties

The Board takes full responsibility for the overall performance of the Company and of the Group. The Board establishes the vision and strategic objectives of the Group, directing policies, strategic action plans and stewardship of the Group's resources towards achieving the Group's annual budgets as well as ensuring a continuous and sustainable growth for the interests of all its stakeholders, that is the Group's shareholders, investors, customers, business associates and the general public. It focuses on strategies, financial performance, critical and material business issues and specific areas such as principal risks and their management, internal controls, succession planning for senior management, investor relations programme and shareholders' communication policy.

The Executive Directors take on primary responsibility for managing the Group's business and resources. Their intimate knowledge of the business and their "hands-on" management practices has led the Group to establish its current position in the market.

The Non-Executive Directors are actively involved in a number of Board committees and contribute significantly to areas such as enhancing corporate governance and controls. They bring independent judgement on issues of strategy, business performance, resources and standards of conduct. They also provide independent and constructive views in ensuring that the strategies proposed by the management are fully studied and deliberated in the interest of the Group and also all stakeholders.

The Board consists of members who provide an effective blend of entrepreneurship, business and professional expertise in multilevel marketing, manufacturing, accounting, financial, law and technical areas the Group is involved in.

b) Board Composition and Balance

The Board comprises nine (9) members of whom five (5) are Executive Directors and four (4) are Non-Executive which three (3) are Independent Directors which are in compliance with paragraph 15.02 of the Main Market Listing Requirements of Bursa Securities in respect of the board composition.

The profile of each member of the Board is as presented on pages 15 to 18 of this Annual Report.

The Board has established the roles and responsibilities of the Non-Executive Chairman, which are distinct and separate from the duties and responsibilities of the Chief Executive Officer (CEO). This segregation between the duties of the Non-Executive Chairman and the CEO, ensures an appropriate balance role, responsibility and accountability at the Board level.

The Board also has a well-defined framework on the various categories of matters that require the Board's approval, endorsement or notations, as the case may be. Besides, there is balance in the Board with the presence of independent directors who demonstrate objectivity and independence of judgement.

c) Board Meetings

Board meetings for the ensuing financial year are scheduled in advance before the end of each financial year so that the Directors are able to plan ahead and pencil the next year's Board meetings into their respective meeting schedules.

The Board usually meets at least four (4) times a year. During the financial year, the Board held a total of four (4) meetings. At the Board meetings, the Board notes the decisions and salient issues deliberated by Board Committees and Management Committees through minutes of these committees. Members of the Board deliberate and in the process evaluate the potential risks and viability of business propositions and corporate proposals that have significant impact on the Company's and the Group's business or on their financial position.

The Chairman of the Board Committees would inform the Directors at Board meetings, of any salient matters and recommendations raised at the Board Committee meetings and which require the Board's notice or direction.

The Board meetings are also held upon finalization of the Company's quarterly results in order for the Board to review and approve the quarterly financial results. In addition, the Board meets on an ad-hoc basis as and when necessary to consider corporate proposals or business issues that require the Board's expeditious review or consideration.

The minutes of every Board meeting are circulated to all Directors for their perusal prior to confirmation of the minutes to be done at the commencement of the following Board meeting. Directors may request for clarification or raise comments on the minutes before the minutes are tabled for confirmation.

The Directors remain fully committed in carrying out their duties and responsibilities as reflected by their attendance at the 4 Board meetings held during the financial year ended 31 December 2011 as follows:

Director	Attendance at Board Meetings
Dato' Koh Peng Chor Non-Executive Chairman (Re-designated w.e.f. 1 February 2012)	4/4
Cheong Chin Tai Executive Director	4/4
Koh How Loon Executive Director (Appointed w.e.f. 1 February 2012)	0/0
Tan Sia Swee Executive Director	3/4
Law Yang Ket Executive Director	4/4
Chew Boon Swee Executive Director	3/4
Dr. Ch'ng Huck Khoon Independent Non-Executive Director	4/4
Zulkifli Bin Mohamad Razali Independent Non-Executive Director	4/4
Lim Lean Eng Independent Non-Executive Director	4/4

All Directors have thus more than adequately complied with the minimum requirement on 50% attendance at Board Meetings as stipulated in the Main Market Listing Requirements of Bursa Securities.

d) Supply of and Access to Information

The Board has direct access to Senior Management and has complete and unimpeded access to information relating to the Company in the discharge of their duties. The Directors may require to be provided with further details or clarification on matters tabled at Board meetings. Senior Managers are invited to attend the Board meetings to update the Board on their respective portfolios and to brief the Directors on proposals submitted for the Board's consideration. In addition, the Board may further seek independent professional advice at the Company's expense on specific issues to enable the Board to discharge its duties in relation to the matters being deliberated.

The Directors have ready and unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively. The Board is regularly updated and apprised by the Company Secretary on new statutes, directives issued by regulatory authorities, the resultant implications to the Company and the Directors in relation to their duties and responsibilities.

The Company Secretary briefs the Board on the proposed contents and timing of material announcements to be made to Bursa Securities. The Company Secretary also serves notice to the Directors and Principal Officers to notify them of the closed period for trading in CNI shares, in accordance with the black-out periods for dealing in the Company's securities pursuant to Chapter 14 of the Main Market Listing Requirements of Bursa Securities.

The Company Secretary attends and ensures that all Board meetings are properly convened, and that accurate and proper record of the proceedings and resolutions passed are taken and maintained in the statutory register at the registered office of the Company. The Company Secretary also ensures good information flows within the Board and Board Committees, and between the Non-Executive Directors and Senior Management.

e) Appointment and Re-election to the Board

Appointments to the Board are made based on the recommendation of the Nomination Committee. The Nomination Committee of the Company comprises exclusively of Non-Executive Directors. In making these recommendations, the Nomination Committee considers a required mix of skills and experience which each Director brings to the Board. Any new nomination received is put to the full Board for assessment and endorsement.

The Company's Articles of Association ("Articles") provides that at every annual general meeting of the Company, one-third of Directors for the time being and those appointed during the financial year shall retire and be eligible for re-election. The Articles further provide that all Directors shall retire from office once at least in each three years but shall be eligible for re-election.

The Company's Articles of Association ("Articles") provides that at every annual general meeting of the Company, one-third of Directors for the time being and those appointed during the financial year shall retire and be eligible for re-election. The Articles further provide that all Directors shall retire from office once at least in each three years but shall be eligible for re-election.

f) Board Performance Evaluation

The Board has entrusted the Nomination Committee with the responsibility for carrying out an annual Key Performance Indicators (KPI) performance review on the Directors of the Company and its subsidiaries ("the Group"). The Company Secretary assisted the Board in coordinating the KPI performance review internally which comprises Executive Directors and Non-Executive Directors.

The Executive Directors' performance evaluation were intended to evaluate individual Executive Director's KPI in the areas of corporate strategic plans, achievement of key corporate objectives, human resources, risks management and internal control system. However, Non-Executive Directors' evaluation were conducted to ascertain the ability of each Non-Executive Director to give material input at meetings and demonstrate high level of professionalism and integrity in decision making process.

The Company Secretary collates the feedback and summarises the findings with assurance of anonymity as part of the governance review process. The Nomination Committee analyses the KPI performance review results and recommends to the Board action plan for improvement on the areas identified in the review. Each Director is provided with individual results together with Nomination Committee average rating on each area of assessment for personal development.

In addition, the Board through the Board Committee effectiveness assessment examined the Audit Committee as to whether their functions and duties are effectively discharged in accordance with the terms of reference.

g) Directors' Training

The Board has assessed the training needs of the individual directors to ensure that the board is equipped with the necessary knowledge to enable them to discharge their duties as directors.

Pursuant to the Main Market Listing Requirements of Bursa Securities, a newly appointed Director is required to attend the Mandatory Accreditation Programme (MAP) in full and procure a certificate from the programme organiser approved by Bursa Securities to confirm his completion of the MAP. He is required to complete the MAP within 4 months of his appointment.

Mr Koh How Loon, who was appointed as an Executive Director on 1 February 2012, will attend the MAP as required by Bursa Securities in May 2012.

The Company Secretary facilitates the Company of internal training programmes and Directors' attendance of external programmes, and keeps a complete record of the training received or attended by the Directors.

Details of training programmes attended by Directors in 2011 are as follows:

Course Title	Date
Strategic Marketing of Products & Services	9 – 10 May 2011
Corporate Strategic Analytics: Essentials of Corporate Proposal Analysis	25 May 2011
Executive Seminar Philips Kotler on the Future of Marketing	1 June 2011
Financial Statement Analysis	24 August 2011
Transfer Pricing & GST	25 August 2011
Competition Act 2010 Training & Talk Series	18 October 2011
Essential Concepts in Personal Financial Planning	30 November 2011

The Company will on a continuous basis, evaluate and determine the training needs of its Directors. All Directors will continue to attend the relevant training programmes as to ensure that they stay abreast with the latest development in the industry and in relevant laws and business practices in compliance with paragraph 15.08 of the Main Market Listing Requirements of Bursa Securities.

h) Board and Management Committees

The Board of Directors has established several Board Committees as well as Management Committees to assist the Board in discharging its duties. The functions and terms of reference of Board Committees and Management Committees, as well as authority delegated by the Board to these Committees, are clearly defined by the Board. The salient terms of reference for those Board Committees and Management Committees are as follows:

i) Audit Committee

The Audit Committee was established by the Board on 25 May 2005. It is comprised exclusively of Non-Executive and Independent Directors.

The terms of reference of the Audit Committee are set out under the Audit Committee Report on pages 29 to 31 of this Annual Report.

The attendance of Members at Audit Committee meetings held in 2011 is reflected in this Statement on page 23.

ii) Remuneration Committee

The Remuneration Committee was established by the Board on 17 July 2005. It is made up wholly or mainly of Non-Executive Directors, the majority of whom are Independent Directors.

The Remuneration Committee is responsible for drawing up the remuneration policy framework and to make recommendations to the Board on the remuneration packages of the Directors.

The Remuneration Committee ensures that the remuneration policy of the Company is competitive and further that the remuneration packages of Directors are sufficiently attractive to draw in and to retain persons of high calibre.

The Remuneration Committee meets as and when required, and at least once a year. The attendance of Members at Remuneration Committee meetings held in 2011 is reflected in this Statement on page 23.

iii) Nomination Committee

The Nomination Committee is established by the Board on 12 July 2005. It is comprised exclusively of Non-Executive Directors, the majority of whom are Independent Directors.

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

- To recommend and consider candidates proposed to the Board for the appointment of Managing Director, Executive Director and Non-executive Director positions for both CNI Holdings Berhad and its subsidiaries
- To recommend directors to fill the seats on Board Committees
- To recommend to the Board the removal of a Director/ CEO from the Board/Management if the Director/CEO is ineffective, errant and negligent in discharging his responsibilities
- To ensure that all directors receive appropriate continuous training programmes in order to keep abreast with developments in the multi level marketing industry and with changes in the relevant statutory and regulatory requirements
- To assess the effectiveness of the Board as a whole, the Board Committees and contribution of each director through an evaluation process
- To establish a formal and transparent procedures for appointment of new directors to the Board and make recommendations which include:-
  - establishing selection criteria for both executive and non-executive directors
  - short listing, assessing and evaluating suitable candidate against selection criteria and organization's needs and objectives
- To ensure the Board has an appropriate balance of required expertise and skills/abilities needed to govern the organization towards achieving its intended goals and objectives

The Nomination Committee meets as and when required, and at least once a year. The attendance of Members at Nomination Committee meetings held in 2011 is reflected in this Statement on page 23.

iv) Executive Management Committee ("EMC")

The Executive Management Committee is established by the Board on 12 July 2005. It is comprised mainly of Executive Directors of the Company and its subsidiary companies.

The roles of the Executive Management Committee are to assess and review the Group's commercial and financial performance, business development and direction, management and corporate issues.

The Executive Management Committee holds monthly meetings. The attendance of Members at Executive Management Committee meetings held in 2011 is reflected in this Statement on page 23.

v) Risk Management Committee ("RMC")

The Risk Management Committee was established by the Board on 12 July 2005. It is comprised of Executive Directors and Senior Management responsible for risk in the Group. It is reports to the Audit Committee.

- To raise the level of management awareness of, and accountability for, the business and treasury risks faced by the Group
- To identify and manage key risks faced by the Group, especially Strategic and Financial risks
- To develop risk management as part of the culture of the Group
- To oversee the formal development of risk management policy encompassing business, operational, compliance and financial risks
- To provide a mechanism for risk management issues to be discussed and disseminated to all parts of the Group

The Risk Management Committee holds quarterly meetings. The attendance of Members at Risk Management Committee meetings held in 2011 is reflected in this Statement on page 23.

vi) Investor Relations Committee

The Investor Relations Committee was established by the Board on 28 May 2008. It is comprised of Executive Directors and Senior Management responsible for investor relations in the Group. It is reports to the Executive Management Committee.

The roles of the Investor Relations Committee are to identify the investor relations functions within the Group, recommend appropriate action plan and activities of investment relations and responsible for the implementation and coordination of the investor relations process of the Company.

The Investor Relations Committee holds meetings twice a year. The attendance of Members at Investor Relations Committee meetings held in 2011 is reflected in this Statement on page 23.

vii) Investment Committee

The Investment Committee was established by the Board on 22 September 2008. Its members shall be appointed by the Board from amongst its Directors, chaired by the Chairman of the Company.

The Investment Committee is empowered to assist the Board in fulfilling its oversight responsibility for the investment and/or divestments of the Company and its group of companies ("the Group"). The Committee is responsible for formulating the overall investment policies of the Group, subject to approval by the Board and establishing investment guidelines in furtherance of those policies. The Committee monitors the management of the portfolio for compliance with the investment policies and guidelines and for meeting performance objectives over time.

The Investment Committee holds quarterly meetings. The attendance of Members at Investment Committee meetings held in 2011 is reflected in this Statement on page 23.

The attendance of Members at the Board and Management Committees meetings held in 2011 is reflected as follows:

Name	Audit Committee	Remuneration Committee	Nomination Committee	Executive Management Committee	Risk Management Committee	Investor Relations Committee	Investment Committee
DATO' KOH PENG CHOR Non-Executive Chairman		0/0		12/12			3/3
CHEONG CHIN TAI Executive Director				12/12	4/4	1/1	3/3
TAN SIA SWEE Executive Director				12/12		1/1	3/3
LAW YANG KET Executive Director				11/12			3/3
CHEW BOON SWEE Executive Director		0/0		12/12		1/1	3/3
DR. CH'NG HUCK KHOON Independent Non-Executive Director	6/6	0/0	2/2				
ZULKIFLI BIN MOHAMAD RAZALI Independent Non-Executive Director	6/6	0/0	2/2				
LIM LEAN ENG Independent Non-Executive Director	6/6	0/0	2/2				
KOH HOW LOON Executive Director				11/12	2/4	0/1	
WONG SIEW FONG Executive Director				12/12		0/1	
KOH TIAH SIEW Executive Director				12/12	4/4		
CHEONG CHEE KEE Executive Director				11/12	4/4		
CHAN KOK LIANG Executive Director				12/12	4/4		
KOH TENG KIAT Executive Director				12/12[1]			
ONG CHUN ENG Executive Director & Head of Human Resource				4/5[2]	2/2[2]		
LOO YEE WEI Group Financial Controller					4/4	1/1	
IDRIL BIN IDRIS Head of Corporate Communication						1/1	
CHIN YOKE KWAI Company Secretary						1/1	
Total number of meetings for 2011	**6**	**0**	**2**	**12**	**4**	**1**	**3**

Chairman **Member**

Notes:
(1) Attendance of the member and/or his representative
(2) Ceased as a member on 31 May 2011

2. REMUNERATION

The Company's Directors remuneration policy provides remuneration packages necessary to attract, retain and motivate Directors of the quality required to manage the businesses of the Company and to align the interest of the Directors with those of the shareholders.

The Remuneration Committee ascertains and approves remuneration packages of executive directors in accordance with the Company's policy guidelines which set a proportionately high variable pay component to the remuneration package so as to strongly link remuneration to performance.

The remuneration framework for Directors as well as the remuneration package of the Non-Executive Chairman is reviewed and recommended by the Remuneration Committee and determined by the Board.

None of the Directors participated in any way in determining their individual remuneration. The Board as a whole determines the remuneration of Non-Executive Directors with individual Directors abstaining from decisions in respect of their individual remuneration.

Details of the Directors' remuneration of the Company comprising remuneration received/receivable from the Company and its subsidiary companies during the financial year ended 31 December 2011 are as follows:

	Executive Directors (RM)	**Non-Executive Directors (RM)**
Fees	-	108,000
Salaries	3,308,859	-
Benefits in kind	57,044	-
Retirement benefits	705,140	-
Allowances	-	21,500
Total	**4,071,043**	**129,500**

The number of directors in each remuneration band is as follows:

	Number of Directors	
Range of remuneration	**Executive Directors (RM)**	**Non-Executive Directors (RM)**
RM0 to RM50,000	-	3
RM700,001 to RM750,000	1	-
RM750,001 to RM800,000	1	-
RM850,001 to RM900,000	3	-

The Board has considered disclosure details of the remuneration of each Director. The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to Directors' remuneration are appropriately served by the "range disclosure" as required by the Main Market Listing Requirements of Bursa Securities.

3. INVESTOR RELATIONS & SHAREHOLDERS COMMUNICATION

The Board recognises the importance of an effective communication channel between the Board, shareholders and general public. As such, the Company strives to maintain an open and transparent channel of communication with its shareholders, institutional investors and the investing public at large with the objectives of providing a clear and complete picture of the Group's performance and financial position.

The annual reports, press releases, quarterly results and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance.

The Annual General Meeting represents the principal forum for dialogue and interaction with shareholders. At every meeting, the Board sets out the progress and performance of the Group and shareholders are encouraged to participate in the subsequent question and answer session wherein Directors, Company Secretary, Senior Management as well as the Group's External Auditors are available to respond to the queries raised. In the event that an answer cannot be readily given at the meeting, the Chairman will undertake to provide a written reply to the shareholder. Each item of special business included in the notice of meeting will be accompanied by a full explanation of the effects of a proposed resolution.

During the year, press conferences are held periodically where the media is briefed on the performance of the Company, corporate actions as well as matters of strategic importance to the Company. Mr Cheong Chin Tai, Executive Director is the Board's elected spokesperson for the Group and is authorised to clarify and explain issues raised by the media.

Timely announcements are also made to the public with regards to the Company's quarterly results, corporate proposals and other activities to ensure accurate information is effectively disseminated to the investing public at large. Apart from publishing the results in the print media, Bursa Securities also provides for the Company to electronically publish all its announcements including the full version of its quarterly results and Annual Reports. These can be accessed online through Bursa Securities' website at www.bursamalaysia.com.

Another important channel of communication with shareholders, investors and the investment community generally, is the Company's investor relations webpage. The Company has established an investor relations webpage on the Company's website, www.cniholdings.com.my to provide information in a timely manner and more effectively to the target audience. The Company's profile, financial reports, presentations, articles and other related information have been updated on the webpage to enable all stakeholders or potential investors to keep up with the latest on the Company's on-goings.

The Company conducted informal meetings and casual gatherings with research analysts, fund managers, substantial shareholders, distribution networkers and other interested parties. The feedback gathered will be duly noted and acted upon by the Board and the Management.

4. ACCOUNTABILITY AND AUDIT

a) Financial Reporting

The Directors have a responsibility to present a true and fair assessment of the Group's position and prospects in the quarterly reports to Bursa Securities and the Annual Report to shareholders. The Audit Committee assists the Board in scrutinizing information to ensure accuracy, adequacy and completeness in disclosure.

In addition to Chairman's Statement, the Annual Report of the Company contains the following additional non-mandatory information to enhance shareholders' understanding of the business operations of the Group namely financial trends and highlights, key performance indicators and other background industry notes deemed necessary.

b) Internal Control

The Group's Statement on Internal Control furnished on pages 26 to 28 of this Annual Report provides an overview of the state of internal controls within the Group.

c) Relationship with the Auditors

The Group has always maintained a close and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the appropriate accounting standards.

The Audit Committee has been explicitly accorded the power to communicate directly with both external and internal auditors. A full Audit Committee report enumerating its role in relation to the auditors is set out from pages 29 to 31 of this Annual Report.

This Statement is made in accordance with a resolution of the Board of Directors dated 25 Aprl 2012.

RESPONSIBILITY

The Board of Directors ("Board") of CNI Holdings Berhad acknowledges that it is responsible for maintaining a sound system of internal controls covering not only financial controls but also controls relating to operational compliance and risk management and for reviewing their adequacy and the integrity to safeguard shareholders' investments and the Group's assets. In this respect, it is committed in making sure that this responsibility is properly discharged.

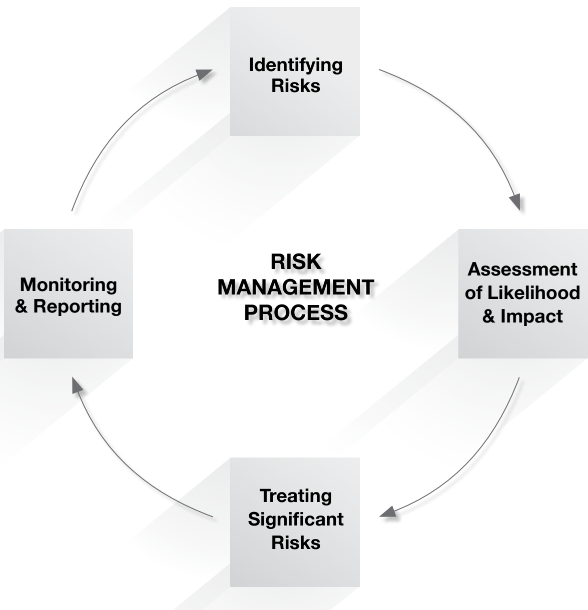
The Board recognises that the Group's system of internal control is designed to manage rather than eliminate the risk of failure in achieving the Group's business objectives. Therefore, the system of internal control can only provide reasonable but not absolute assurance against material misstatements or losses.

The Board is continuing its ongoing process of identifying, assessing and managing key businesses, operational and financial risks faced by its business units. The Board reviews this process on a quarterly basis through its Enterprise Risk Management Framework.

Enterprise Risk Management ("ERM") Framework

The Group has established an Enterprise Risk Management framework to pursue a disciplined, comprehensive and integrated approach to risk management. By adopting a proactive risk management culture and with the appropriate tools, the Group aims to mitigate its risk exposures.

The Group has implemented an ongoing risk management process to manage potential risk exposure which may affect the achievement of the Group's corporate and business objectives.



GROUP'S RISK MANAGEMENT SYSTEM

In addition, the Group has put in place a Risk Management Committee (RMC) which is chaired by an Executive Director of CNI Holdings Berhad and includes representatives from all the Group's subsidiaries. The objectives of RMC are:

1. To provide a platform for risk management issues to be discussed and disseminated to all levels within the Group.
2. To oversee the formal development and implementation of risk management policy encompassing business, operational, compliance and financial risks.
3. To raise the level of management awareness and accountability for the business and treasury risks exposed by the Group.
4. To develop risk management as part of the culture of the Group.

The Group has also established Risk Working Committee ("RWC") for the following objectives:

1. Be responsible for the implementation and coordination of the Risk Management Process of the Group.
2. Be responsible for developing tools and methodologies for the identification, measurement, monitoring and control of risks encompassing business, operational, compliance and financial risks.
3. To identify and quantify all risks affecting the Group.
4. To recommend the appropriate risk appetite or level of exposure for the Group's business, operational, compliance and financial risks.
5. To provide a platform for all key risk profiles to be deliberated among RWC members and risk owners, and ensure appropriate controls are in place to manage those risks exposure.
6. Assist in cultivating a risk management culture into all major decisions, through risk education, controls and procedures.
7. Compile and submit reports highlighting key issues for RMC awareness when necessary.

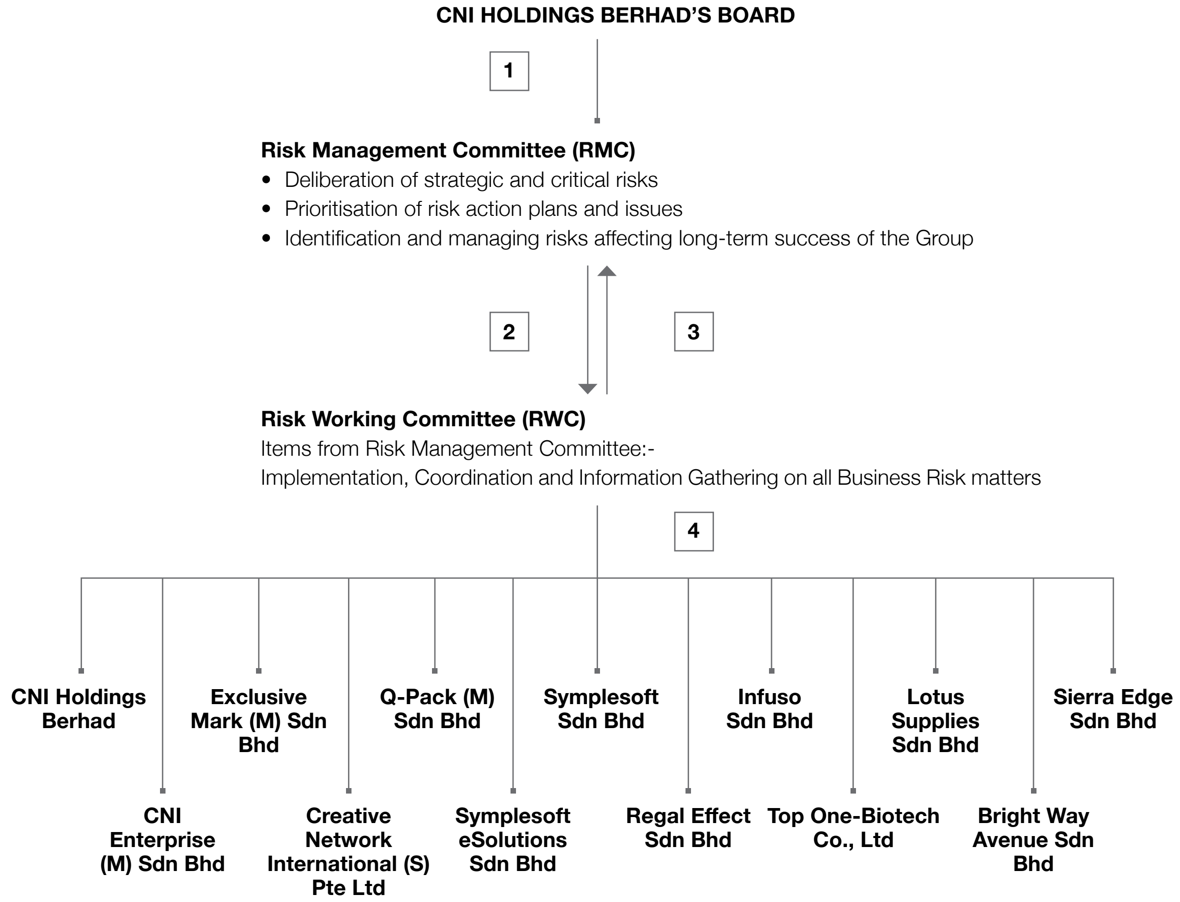
The Group also maintains risk profile databases which are categorised as follows:-

1. Strategic, which are risks that affect the overall direction of the business.
2. Operational, which are risks that impact the delivery of the Group's products and services.
3. Financial, which are risks associated with financial processes and reporting.
4. Compliance, which are risks related to non-compliance with the relevant laws and regulations.

During the year, the key risks and its corresponding controls which were tabled in RMC meeting were reviewed by the Audit Committee for acknowledgement on availability of adequate preventive measure undertaken by the Management.

RISK MANAGEMENT GOVERNANCE AND COMMITTEE STRUCTURE

The following is the governance structure for Risk Management of the CNI Group of Companies.



Notes

1 The Risk Management Committee reports to the Board of Directors of CNI Holdings Berhad.

2 The Risk Management Committee ("RMC") prioritises and accelerates risk management strategies and co-ordinates activities with the Risk Working Committee.

3 The Risk Working Committee ("RWC") is responsible for implementation and coordination of the Risk Management Process on behalf of the RMC. RWC also compiles and submits reports highlighting key issues when necessary to the RMC.

4 RWC coordinates with the Business Units within the Group to identify and quantify Business risks, Operational risks, Compliance risks and Financial risks to ensure necessary arrangements are in place to manage those risks.

Monitoring Mechanisms and Management Style

Under the purview of the Group's Executive Chairman and Chief Executive Officer, the respective heads of each operating subsidiary and department within the Group are empowered with the responsibility of managing their respective operations.

The Board is responsible for setting the business direction and for overseeing the conduct of the Group's operations through its Board and Executive Management Committees and through management reporting mechanisms. Through these mechanisms, the Board is informed of the Group's business operations and major control issues pertaining to internal controls, regulatory compliance and risk management.

Scheduled quarterly meetings of the Board present the main platform by which the Group's performance and conduct are monitored. Monthly meetings by the Group's Executive Management Committees are conducted to review and monitor matters pertaining to the businesses, operations, plans and strategic issues.

The Board and the Group's Management receive monthly financial results from each operating subsidiary and the Group reports quarterly to Bursa Malaysia Securities Berhad ("Bursa Securities") in compliance with the Main Market Listing Requirements of Bursa Securities.

Other Key Elements of Internal Control

The other key elements of the Group's internal control system include:

1. Clear definition on duties and responsibilities of the Board and Management committees.

2. Availability of organisation structure which defines the line of reporting for all level of operations.

3. Policy guidelines, procedures and authority limits are established for management within the Group in respect of day-to-day functions and operations.

4. Policies and procedures of the relevant operating units within the Group are documented in Standard Operating Procedures in line with ISO, Good Manufacturing Practice ("GMP"), Hazard Analysis & Critical Control Point ("HACCP") together with industrial practices.

5. The Group's major subsidiaries maintain a Quality Management System in compliance with ISO 9001 that monitors conformance with the operating units' standard procedures and ensure that the system is continuously being improved.

6. Monthly financial performance and key business indicators of operating units are reported to Executive Directors of the Group.

7. The Executive Directors meet on a monthly basis with all Subsidiary Heads and Departmental Heads to deliberate on the Group's commercial and financial performances, business development, management and corporate issues in Executive Management Committee Meeting.

8. Availability of strategic planning, annual budgeting and target-setting process, which includes forecasts for each area of business with reviews at all levels of operations.

9. The Board reviews and approves the annual budget. The Board also reviews the Group's actual performance against the budget on a quarterly basis with detailed explanation of any major variances. The Executive Management Committee reviews the actual performance against the budget on a monthly basis with detailed explanation of any major variances.

10. Employees are briefed on Code of Ethics during induction. They are required to sign and adhere to the Code of Ethics, which upholds the Group's corporate values and ethical code of conduct.

11. The Employee's Performance Appraisal System is linked to individual and strategic goals which are based on performance, result and accountability, while at the same time promoting a sense of accountability and team spirit.

12. The Group has a Training and Development Department that arranges and facilitates internal and external training programmes for its employees in relation to their respective areas of work. The various training organised by the Group focus on motivation, leadership and team building so as to maintain a high level of competency and capability among the Group's employees.

13. The Group has implemented Crisis Communication Management with the objective of handling effectively the flow and dissemination of communication to the external parties such as media, government agencies and the Group's other stakeholders during a crisis.

14. An internal audit function carries out internal audits based on an annual risk-based audit plan approved by the Audit Committee. Further details of the internal audit department are set out in the Audit Committee report on pages 29 to 31 of this Annual Report.

Review of the Statement by External Auditors

External Auditors have reviewed this Statement on Internal Control for the inclusion in the annual report of the Group for the year ended 31 December 2011 and reported to the Board that nothing has come to their attention that may cause them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in reviewing the adequacy and integrity of the internal controls of the Group.

Conclusion

For the financial year under review, and up to the date of issuance of the Annual Report and Financial Statements, the Board considers the system of internal control described in this statement to be adequate and the risks are considered to be at an acceptable level within the context of the Group's business environment. The Board and Management will continue to take measures to strengthen the control environment of the Group. For this purpose and for the financial year under review, the Board is satisfied that there were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies which are required to be disclosed in the Annual Report.

This statement is made in accordance with the resolution of the Board of Directors dated 25 April 2012.

AUDIT COMMITTEE REPORT

ATTENDANCE OF MEETINGS

The details of attendance of each member at the Audit Committee ("Committee") meetings held during 2011 are as follows:

Name of Committee Member	Number of Committee Meetings Held	Number of Committee Meetings Attended
Dr. Ch'ng Huck Khoon Chairman/Independent Non-Executive Director	6	6
Zulkifli Bin Mohamad Razali Member/Independent Non-Executive Director	6	6
Lim Lean Eng Member/Independent Non-Executive Director	6	6

Representatives of the External Auditors, Messrs Moore Stephens AC, Chartered Accountants, Head of Internal Audit Department and Head of Group Finance & Accounting Department attended the meetings by invitation to discuss specific issues.

The Audit Committee also had meetings with the External Auditors without the Management's presence.

The minutes of meetings of the Audit Committee were circulated to all members of the Board and significant issues were discussed at Board Meetings.

Composition and Terms of Reference

The Audit Committee is governed by the terms of reference which was formally endorsed by the Board on 25 May 2005. The terms of reference was revised on 26 November 2009, to comply with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and Malaysian Code on Corporate Governance.

1. Memberships

The Committee shall be appointed by the Board from amongst its Directors and shall consist of three (3) members, all of whom shall be non-executive directors. The majority of the Committee shall be Independent Directors.

At least one member of the Audit Committee:-

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

b) if he is not a member of the MIA, he must have at least 3 years' working experience and
   i) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
   ii) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

c) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

Alternate Directors cannot be appointed as a member of Audit Committee.

Quorum shall be two (2) members composed of a majority of Independent Non-Executive Directors.

Members of the Audit Committee shall be appointed for an initial term of 3 years after which they will be eligible for re-appointment.

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

The Board shall, within three (3) months of a vacancy occurring in the Audit Committee which results in the number of members being reduced to below three (3), appoint such number of new members as may be required to make up the minimum number of three (3) members.

All members of the Audit Committee shall be financially literate.

2. Chairman of Audit Committee

The members of the Audit Committee shall elect a Chairman from among them who shall be an Independent Non-Executive Director.

3. Meetings

The Audit Committee shall meet at least four (4) times in a year although additional meetings may be called at any time, at the discretion of the Chairman.

Head of Finance & Accounting Department, Head of Internal Audit Department and/or representatives of external auditors shall appear and be heard at any meetings of the Audit Committee when required by the Committee. Other Board members shall also attend the meetings upon the invitation of the Committee.

At least twice a year the Committee shall meet with the external auditors without any executive Board members present.

The Company Secretary shall be the Secretary of the Committee. The Secretary shall be responsible, in conjunction with the Chairman, for drawing up the Agenda and circulating it to the Committee members prior to each meeting. The Secretary will also be responsible for keeping the minutes of the meetings of the Committee, and circulating them to the Committee members and to other members of the Board.

A resolution in writing signed or approved by letter by the members of the Audit Committee who are sufficient to form a quorum shall be valid and effectual as if it had been passed at a meeting of the Audit Committee duly called and constituted. All such resolutions shall be described as "Audit Committee Circular Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by her in the Company's minute book. Any such resolutions may consist of several documents in like form, each signed by one (1) or more members.

4. Authority

The Audit Committee is authorized by the Board to:-

a) investigate any matter within its terms of reference;

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

c) have full and unrestricted access to any information pertaining to the Group or the Company;

d) have direct communication channels with the External auditors and person(s) carrying out the internal audit function or activity;

e) obtain independent professional or other advice if it considers necessary; and

f) convene meetings with the external auditors, the internal auditors or both, excluding the attendance of the other directors and employees of the Group or the Company, whenever deemed necessary.

5. Duties and Responsibilities

The duties and responsibilities of Audit Committee include:-

a) To review with the External Auditors:-
   i) the audit plan;
   ii) the evaluation of the system of internal controls;
   iii) the audit report together with the financial statements for the financial year/period, management letter and management response.

b) To consider and recommend the appointment, resignation and/or dismissal of the External Auditors.

c) To review with the Internal Auditors:-
   i) the adequacy of the scope, functions, competency and resources and of internal audit function;
   ii) whether the necessary authority is obtained to carry out the audit work;
   iii) the internal audit programme, processes, and the results of the internal audit programme, processes or investigations undertaken and whether or not appropriate action is taken by management on the recommendations of the internal audit function;
   iv) table and approve the internal audit reports during the Audit Committee meetings;
   v) approve the annual audit plan and annual audit budget.

d) To decide the appointment, remuneration, performance, appraisal, transfer and dismissal of the Head of Internal Audit.

e) To review with the management and/or External Auditors the quarterly, half-yearly, and yearly unaudited financial statements of the Group and the Company before recommending the same to the Board, focusing particularly on:-
   i) changes in or implementation of major accounting policy changes;
   ii) significant and unusual events;
   iii) compliance with accounting standards and other legal requirements;
   iv) the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information.

f) To review related party transactions and conflict of interest situations that may arise within the Group or the Company including any transaction, procedure or course of conduct that raises questions of management integrity.

g) To review current/pending litigation or regulatory proceedings bearing on corporate governance in which the Company is a party.

h) To review the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations, which could have a significant impact on operations and reports.

i) To review the means of safeguarding asset and, where appropriate, verify the existence of such assets.

j) To appraise the economy, effectiveness and efficiency with which resources are employed.

k) To review operations or programmes to ascertain whether results are consistent with established objectives and goals, and whether the operations/programmes are being carried out as planned.

l) Such other matters as the Board may from time to time determine.

SUMMARY OF ACTIVITIES

During the year, the Audit Committee carried out the following activities:

1. Reviewed the quarterly unaudited financial results of the Group and the Company, and recommended the same, with or without amendments, to the Board for its approval and release to Bursa Securities.

2. Reviewed with the External Auditors the annual audited financial statements of the Group and the Company, and recommended the same to the Board, with or without amendments, for its approval.

3. Reviewed and approved the Audit Committee Report and Internal Control Statement presented in the Annual Report by the Board.

4. Reviewed and discussed with the External Auditors the scope and nature of their audit plan for the Group.

5. Reviewed and approved the annual internal audit plan proposed by the Internal Auditors.

6. Reviewed the annual internal audit budget and human resource requirements proposed by the Internal Auditors.

7. Reviewed the audit reports presented by the Internal Auditors on their findings and recommendations arising from their audits of the respective companies/departments/divisions.

8. Reviewed the recurrent related party transactions that were present in the Group.

9. Reviewed the effectiveness of preventive measures undertaken by each company/department in the implementation of enterprise risk management ('ERM') in the Group.

10. Reviewed the action plans, reasons and explanations given by each company/department/division in relation to its monitoring, measuring and reviewing the Group's financial performance against its annual budget.

11. Proposed to the Board for a more stringent management control over the Group's preparation, accountability and remedial actions of the annual budget.

12. Reviewed the adequacy of the scope, functions, competency and resource of the internal audit functions and that it has the necessary authority to carry out its work.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is carried out by the Internal Audit Department which reports directly to the Audit Committee on its activities based on the approved annual internal audit plan.

The emphasis of the internal audit function is to undertake regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that the system continues to operate satisfactorily and effectively within the Group. The internal audit function adopts a risk-based audit methodology, which is aligned with the risks of the Group to ensure that relevant controls addressing those risks are reviewed on a rotational basis.

During the financial year, the activities carried out by the Internal Audit Department include, among others, the review of the Group's system of internal controls for effectiveness and efficiency, compliance with established rules, guidelines, laws and regulations, reliability and integrity of information and means of safeguarding assets as well as reviewing the adequacy of Group's risk management.

The internal audit reports issued by the Internal Audit Department were deliberated during the Audit Committee meetings and majority of recommendations from the reports were duly acted upon by the Management. The Internal Audit Department have also performed quarterly follow-up reviews on the status of rectification with regards to significant audit issues and has updated the Audit Committee on the current status by quarterly basis.

The total costs incurred for the internal audit function of the Group for 2011 is RM104,471.

STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY

CNI has evocated corporate social responsibility (CSR) since its inception in 1989. At that point in time when the term CSR was not popularised, it was more of a social business culture for our small establishment.

Looking after our lean team of employees and their family members were foremost in our practices besides ensuring the growth of the business.

Everyone became a family member. Each child became everyone's child. Each parent became everyone's father or mother. Outings included picnics and visits to welfare homes brought a sense of belonging to each member of the CNI congregation. It was an extended family affair within a thriving business.

This practice has since been passed down and maintained over these 22 years. Furthermore, it has spread its wings to encompass CNI Sports & Recreational Club, Yayasan CNI and other community programmes as well as philanthropy activities.

More importantly, the Group takes into account environmental, health and safety (EHS) issues as one of its business and operations priorities.

YAYASAN CNI

Established in 1998, Yayasan CNI is the charity arm of the Group. Its aim is to reach out and aid those who are in need regardless of race, colour or religion.

It was also founded to assist in the education of CNI distributors' children. Over the years, it has contributed over RM2 million to about 50,000 children.

Similarly, it has supported numerous missions and organised projects for the needy all these years including:-

- organising and establishing a fund of RM500,000 for the tsunami victims in India, Indonesia and Malaysia.
- initiating China Aid Programme whereby 1% of the Group's profit for the month and donating to the victims of Hua Dong flood tragedy.
- collecting clothes for the impoverished in Bosnia, Cambodia and Vietnam.
- initiating the Wishing Tree Programme in fulfilling the wishes of 122 disabled personnel.
- launching the Single Parent Family Programme.

PHILANTHROPIC ACTIVITIES

Understanding that certain projects could only be realised by direct donation, the Group has contributed to the following:-

- donating 100 units of WaterLife to charity homes in Malaysia, Brunei and Singapore.
- donating 20 tonnes of food for the National Flood Foundation.
- donating RM500,000 worth of food and goods to the flood victims in Johor.
- donating 40 tonnes of food and goods to Afghanistan refugees.
- donating dialysis machines to various dialysis centres around Malaysia.
- sponsoring a yearly cash amount of RM5,400 to the natives of a settlement in Sabah for their children's education for a period of five years.
- donating RM10,000 each to Mynmar Cyclone Nargis Relief Fund and the Sichuan Earthquake Relief Fund.
- donating humanitarian aid worth of RM100,000 to the flood victims in Kedah and Perlis.
- donating RM5,000 worth of grocery things such as CNI Gold Meal, CNI Cocoa and Joshi Panty Liner to orphan and disable children.

COMMUNITY PROGRAMMES

Realising that Malaysia is a multi-racial society, the Group has tried to bridge racial understanding through cultural activities and community programmes such as:-

- Pesta TangLung Cintai Malaysia.
- Konsert Harmoni KeranaMu Malaysia.
- Road Safety Campaign by giving out 50,000 booklets on road safety.
- 2002 World Lion & Dragon Dance Championship.
- Yellow River Choir.
- The Legend of Liu San Jie Musical.
- Pentas Amal Cintai Malaysia which attracted over 10,000 attendees from all races.
- Yu Dan Cultural Talk and Seminar for the public at large.
- Tuan Kang Team Spirit Motivational Camp.
- 1 Million UP Café Giveaway, a joint effort with the Road Safety Department advocating road safety and in conjunction with the Group's 20th anniversary, as a 'thank you' gesture to all CNI customers and road users by serving hot coffee and giving away 1 million TAGG coffee sticks at selected toll plazas and public area.

STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY

ENVIRONMENT, HEALTH & SAFETY (EHS)

Issues concerning the environment, health and safety will remain as one of the priorities for CNI Group. Being a corporate entity, the Group realises these issues are important to the business competitiveness.

Being in the food, beverage and consumer products manufacturing line, practicing good hygiene, quality control, food safety and handling is our utmost imperative as we continue to care for and preserve the environment.

Our Environmental Management System (EMS) which emphasises the 3Rs – Reduce, Reuse and Recycle, has become a way of life for our Group.

The state-of-the art facilities at our two plants, Exclusive Mark (M) Sdn Bhd and Q-Pack (M) Sdn Bhd were designed and constructed under strict international Good Manufacturing Practice (GMP) specifications. This was done to facilitate proper manufacturing operations including upholding the safety and quality standards of our products and processes.

The introduction and enforcement of our Occupational Health and Safety Management System (OHSAS) further enhanced our efforts to provide a safe and healthy environment to all our employees.

In this respect, we continuously seek improvements on all our systems and practices with periodic reviews concentrating on the following four major areas:-

- Product quality and safety.
- Work health hazards and prevention.
- Waste minimization and recycling.
- Pollution control and solution.

INTERNAL HALAL COMMITTEE

All CNI products are or will be certified Halal by Department of Islamic Development Malaysia (JAKIM) or other international Islamic certification bodies recognised by JAKIM. CNI takes into account the concept of Halalan Toyibban (permissible and wholesome), and this concept is founded on Syariah laws. Although Halal is often mentioned with regards of food, CNI is aware that its relevancy extends to non-food areas such as personal care, pharmaceuticals, other consumer goods and services. The Halal regulatory requirements are complementing other manufacturing standards practised by CNI's manufacturing plants.

CNI has established the CNI Halal policy to provide assurance that all CNI products currently available do not contain ingredients from non-Halal sources or its derivatives. The certified Halal status provides assurance that CNI products are manufactured, imported, exported and distributed under the strictest hygienic and sanitary condition in accordance to the Islamic law. The CNI Halal policy is set to provide a direction and framework for establishing and reviewing Halal issues.

CNI has also established the CNI Internal Halal Committee to be responsible for all matters pertaining to Halal compliance and certification. The Committee has representatives from all stages of the production of products (from selection of raw material, manufacturing up to delivery) to ensure all processes adhere to the Halal requirements for present and future products.

CNI SPORTS & RECREATIONAL CLUB

This social club was established some time back as a recreational outlet for all CNI Group's employees. CNI Group contributes yearly to this club which is managed by a panel of employees who hold office annually after being elected.

The club organises activities specifically for its members namely all the employees of the Group including:-

- fortnightly staff assembly to update various management and business issues.
- weekly exercise regime including yoga and line dancing classes.
- festivities and celebrations such as Labour Day dedications.
- educational talks and business seminars including financial and insurance planning.
- monthly recycling activities.
- regular outings and visits.
- annual trip.
- annual dinner.

The Group's commitment to its corporate social responsibility and obligations is undeniable. It will continue to serve the community and the nation through its various undertakings and missions while upholding to its values.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act, 1965 to ensure that the financial statements prepared for each financial year 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 Group and the Company's results and cash flows for the financial year. The Directors consider that in presenting the financial statements, the Group has used appropriate accounting policies that are consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors have a general responsibility for ensuring that the Group and the Company keep accounting records and financial statements which enclose with reasonable accuracy, the financial position of the Group and of the Company. The Directors have taken steps to ensure that such financial statements comply with the Companies Act, 1965, approved accounting standards in Malaysia and other regulatory provisions.

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 31 December 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services. The principal activities of the subsidiary companies are set out in Note 12 to the financial statements. There have been no significant changes in the nature of these activities during the financial year, except for a subsidiary company which commenced its property trading and investment activity.

RESULTS

	Group RM	Company RM
Profit net of taxation	2,031,189	4,042,434
Profit attributable to :		
Owners of the parent	2,010,435	4,042,434
Non-controlling interests	20,754	-
	2,031,189	4,042,434

DIVIDEND

During the financial year, the Company paid an interim dividend of RM0.0061 per share less 25% tax based on 716,058,400 ordinary shares amounting to RM3,275,946 in respect of the previous financial year ended 31 December 2010 as reported in the Directors' Report of that year.

Subsequent to the financial year end, the Company declared an interim dividend of RM0.004 per ordinary share less 25% tax based on 715,858,400 ordinary shares amounting to RM2,147,575 in respect of the current financial year paid on 19 April 2012. The financial statements for the current financial year do not reflect these proposed dividends. Such dividends will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2012.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off as bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent.

CURRENT ASSETS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps to ensure that any current assets which were unlikely to realise in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off as bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent.

VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

In the opinion of the Directors:-

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

ISSUE OF SHARES

During the financial year, no new issue of shares was made by the Company.

TREASURY SHARES

During the financial year, the Company repurchased a total of 200,000 of its issued and fully paid ordinary shares from the open market in accordance to the treasury shares scheme. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

The details of shares repurchased during the financial year are as follows:

		Price per share			
Month	**No. of shares repurchased**	**Highest**	**Lowest**	**Average**	**Total Consideration**
		RM	**RM**	**RM**	**RM**
March 2011	100,000	0.185	0.180	0.182	18,371
September 2011	100,000	0.150	0.140	0.145	14,717
	200,000				33,088

Further relevant details of the treasury shares are disclosed in Note 27 to the financial statements.

DIRECTORS OF THE COMPANY

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

DATO' KOH PENG CHOR
TAN SIA SWEE
LAW YANG KET
CHEONG CHIN TAI
CHEW BOON SWEE
ZULKIFLI BIN MOHAMAD RAZALI
LIM LEAN ENG
DR. CH'NG HUCK KHOON
KOH HOW LOON (Appointed on 1 February 2012)

DIRECTORS' INTERESTS

The interests of the Directors in office at the end of the financial year in the shares of the Company and ultimate holding company during the financial year according to the registers required to be kept under Section 134 of the Companies Act, 1965, are as follow:-

		Number of Ordinary Shares of RM0.10 each			
		At 1.1.11	**Bought**	**Sold**	**At 31.12.11**
Direct Interest					
Dato' Koh Peng Chor		2,490,240	-	-	2,490,240
Law Yang Ket		4,691,898	-	-	4,691,898
Cheong Chin Tai		660,000	-	-	660,000
Chew Boon Swee		1,128,614	-	-	1,128,614
Lim Lean Eng		1,083,360	-	-	1,083,360
Dr. Ch'ng Huck Khoon		1,000	-	-	1,000
Indirect Interest					
Dato' Koh Peng Chor	*	375,472,163	-	(2,209,500)	373,262,663
Tan Sia Swee	*	27,602,880	-	(2,209,500)	25,393,380
Lim Lean Eng	**	62,520	-	-	62,520
Law Yang Ket	**	3,000,000	-	-	3,000,000

Shareholdings in the Ultimate Holding Company
- Marvellous Heights Sdn. Bhd.

		Number of Ordinary Shares of RM1 each			
		At 1.1.11	**Bought**	**Sold**	**At 31.12.11**
Direct Interest					
Dato' Koh Peng Chor		10,613	61,047	-	71,660
Tan Sia Swee	#	35,364	-	(35,364)	-
Law Yang Ket		10,262	-	-	10,262
Chew Boon Swee		7,902	-	-	7,902
Indirect Interest					
Dato' Koh Peng Chor	*	137,989	-	-	137,989
Tan Sia Swee	#	-	35,364	-	35,364

* Shares held through persons connected to the Director and/or company in which the Director have substantial financial interests.
** Shares held through person connected to the Director.
# Transfer of shares

By virtue of Dato' Koh Peng Chor's deemed interests in the shares of the Company under Section 6A of the Companies Act 1965, Dato' Koh Peng Chor is deemed to have interests in the shares of the subsidiary companies to the extent that the Company has an interest.

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than those disclosed in Note 6 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for the deemed benefit which may arise from transactions entered into in the ordinary course of business as disclosed in Note 39 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENT

Significant events arising during the financial year is disclosed in Note 42 to the financial statements.

ULTIMATE HOLDING COMPANY

The Directors regard Marvellous Heights Sdn. Bhd., a private limited company incorporated in Malaysia, as the ultimate holding company of the Company.

AUDITORS

The auditors, Messrs. Moore Stephens AC, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 25 April 2012.

DATO' KOH PENG CHOR

TAN SIA SWEE

STATEMENT BY DIRECTORS & STATUTORY DECLARATION

STATEMENT BY DIRECTORS
Pursuant to Section 169(15) of the Companies Act, 1965

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements as set out on pages 43 to 117 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2011 and of their financial performance and cash flows for the year then ended.

The supplementary information set out in Note 47 to the financial statements has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and presented based on the format as prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 25 April 2012.

DATO' KOH PENG CHOR

TAN SIA SWEE

STATUTORY DECLARATION
Pursuant to Section 169(16) of the Companies Act, 1965

I, Loo Yee Wei, being the person primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 43 to 117 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 at
Kuala Lumpur in the Federal Territory
on 25 April 2012

LOO YEE WEI

Before me

PESURUHJAYA SUMPAH
No. W 561
FAUZILAWATI
BINTI ISHAK
MALAYSIA

FAUZILAWATI BINTI ISHAK (No. W 561)
Commissioner for Oaths

REPORT OF THE AUDITORS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CNI HOLDINGS BERHAD
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of CNI Holdings Berhad, which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 43 to 117.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2011 and of their financial performance and cash flows for the year then ended.

REPORT OF THE AUDITORS

Report on Other Legal and Regulatory Requirements

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

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the financial statements and the auditors' report of the subsidiary companies of which we have not acted as auditors, which are indicated in Note 12 to the financial statements.

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

d) The audit reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment required to be made under Section 174(3) of the Act.

Other Matters

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

Other Reporting Responsibilities

The supplementary information set out in Note 47 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad ("Bursa Securities") and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Securities. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Securities.

Moore Stephens AC

MOORE STEPHENS AC
Chartered Accountants
AF 001826

STEPHEN WAN YENG LEONG
2963/07/13 (J)
Chartered Accountant

Kuala Lumpur
25 April 2012

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Operating revenue	4	126,582,152	134,441,075	9,601,688	9,816,920
Direct operating costs	5	(54,189,167)	(55,240,441)	(135,895)	(106,628)
Gross profit		72,392,985	79,200,634	9,465,793	9,710,292
Other operating revenue		3,135,465	3,208,745	537,966	621,617
Administrative costs		(21,993,967)	(23,469,391)	(4,999,094)	(6,925,072)
Distribution costs		(48,563,756)	(51,802,363)	-	-
Other operating costs		(1,158,364)	(2,798,231)	(41,610)	(90,581)
		(71,716,087)	(78,069,985)	(5,040,704)	(7,015,653)
Profit from operations		3,812,363	4,339,394	4,963,055	3,316,256
Finance costs		(757,613)	(844,892)	(4,365)	(7,098)
Share of loss of associated companies		(68,194)	(14,587)	-	-
Profit before taxation	6	2,986,556	3,479,915	4,958,690	3,309,158
Taxation	7	(955,367)	(1,054,232)	(916,256)	(1,090,313)
Profit net of taxation		2,031,189	2,425,683	4,042,434	2,218,845
Other comprehensive income:					
Foreign currency translation		(85,702)	(8,851)	-	-
Fair value (loss)/gain on available-for-sale financial assets	28	-	-	1,948,893	(9,690,996)
Total comprehensive income for the year		1,945,487	2,416,832	5,991,327	(7,472,151)

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Profit attributable to:					
Owners of the parent		2,010,435	2,285,081	4,042,434	2,218,845
Non-controlling interest		20,754	140,602	-	-
		2,031,189	2,425,683	4,042,434	2,218,845
Total comprehensive income attributable to:					
Owners of the parent		1,924,733	2,276,230	5,991,327	(7,472,151)
Non-controlling interest		20,754	140,602	-	-
		1,945,487	2,416,832	5,991,327	(7,472,151)
Earnings per share attributable to owners of the parent					
Earnings per share (sen)	8	0.28	0.32		

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT ENDED 31 DECEMBER 2011

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	9	44,502,307	45,430,313	614,082	649,969
Capital work-in-progress	10	1	1	-	-
Investment properties	11	8,400,000	9,380,000	8,400,000	9,380,000
Investment in subsidiary companies	12	-	-	85,117,695	83,168,802
Investment in associated companies	13	37,825	3,413	18,000	18,000
Investments	14	2,000,000	2,500,000	2,000,000	2,000,000
Goodwill	15	724,891	-	-	-
Other intangible assets	16	2,777,216	2,937,838	21,302	21,404
Other receivables, deposits and prepayments	17	15,400	17,155	-	-
Deferred tax assets	18	3,848,486	3,342,098	1,195,100	1,074,400
		62,306,126	63,610,818	97,366,179	96,312,575
Current assets					
Inventories	19	21,078,414	16,777,871	420	480
Trade receivables	20	8,329,501	9,407,323	119,641	96,744
Other receivables, deposits and prepayments	17	2,753,812	2,788,780	194,929	211,159
Amount owing by associated companies	21	206,015	-	-	-
Amount owing by subsidiary companies	22	-	-	16,750,030	16,211,974
Tax assets	23	2,142,123	2,029,265	824,831	645,201
Investments	14	21,845,442	24,161,975	-	1,000,000
Cash and bank balances	24	16,143,235	15,923,842	1,924,865	1,168,034
		72,498,542	71,089,056	19,814,716	19,333,592
Non-current assets held for sale	25	1,165,000	-	1,165,000	-
		73,663,542	71,089,056	20,979,716	19,333,592
TOTAL ASSETS		135,969,668	134,699,874	118,345,895	115,646,167

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011 (CONT'D)

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
Equity					
Share capital	26	72,000,000	72,000,000	72,000,000	72,000,000
Treasury shares	27	(1,334,888)	(1,301,800)	(1,334,888)	(1,301,800)
Retained earnings		33,778,065	35,043,576	10,419,714	9,653,226
Other reserves	28	(101,085)	(15,383)	24,983,290	23,034,397
		104,342,092	105,726,393	106,068,116	103,385,823
Non-controlling interest		849,947	341,922	-	-
Total Equity		105,192,039	106,068,315	106,068,116	103,385,823
Liabilities					
Non-current liability					
Finance lease payables	29	15,472	-	-	-
Deferred tax liabilities	18	2,046,124	2,279,800	-	-
Term loan	30	57,471	85,821	-	-
Retirement benefits	31	15,483,122	14,777,982	11,800,326	11,818,520
		17,602,189	17,143,603	11,800,326	11,818,520
Current liabilities					
Trade payables	32	2,708,017	2,145,394	-	-
Other payables, deposits and accruals	33	10,029,636	9,137,440	441,355	352,076
Provision for employees benefits	34	220,802	150,403	36,098	89,748
Finance lease payables	29	2,751	2,283	-	-
Term loan	30	29,397	28,396	-	-
Tax liability		184,837	24,040	-	-
		13,175,440	11,487,956	477,453	441,824
Total Liabilities		30,777,629	28,631,559	12,277,779	12,260,344
TOTAL EQUITY AND LIABILITIES		135,969,668	134,699,874	118,345,895	115,646,167

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011

		Attributable to Owners of the Parent								
		Non-Distributable		Distributable	Non-Distributable					
	Note	Share Capital RM	Treasury Shares RM	Retained Earnings RM	Currency Translation Reserve RM	Fair Value Adjustment Reserve RM	Total Other Reserves RM	Total Equity Attributable to Owners of the Parent RM	Non-controlling Interest RM	Total Equity RM
Balance at 1 January 2010		72,000,000	(1,112,524)	37,060,920	6,246	-	6,246	107,954,642	201,320	108,155,962
Effect of adopting FRS 139		-	-	-	-	(12,778)	(12,778)	(12,778)	-	(12,778)
		72,000,000	(1,112,524)	37,060,920	6,246	(12,778)	(6,532)	107,941,864	201,320	108,143,184
Comprehensive income										
Profit for the year		-	-	2,285,081	-	-	-	2,285,081	140,602	2,425,683
Other comprehensive income										
Foreign currency translation		-	-	-	(8,851)	-	(8,851)	(8,851)	-	(8,851)
Total comprehensive income for the year		-	-	2,285,081	(8,851)	-	(8,851)	2,276,230	140,602	2,416,832
Transactions with owners										
Purchase of treasury shares	27	-	(189,276)	-	-	-	-	(189,276)	-	(189,276)
Dividend	35	-	-	(4,302,425)	-	-	-	(4,302,425)	-	(4,302,425)
Total transactions with owners		-	(189,276)	(4,302,425)	-	-	-	(4,491,701)	-	(4,491,701)
Balance at 31 December 2010		72,000,000	(1,301,800)	35,043,576	(2,605)	(12,778)	(15,383)	105,726,393	341,922	106,068,315

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2011 (CONT'D)

		Attributable to Owners of the Parent								
		Non-Distributable		Distributable	Non-Distributable					
	Note	Share Capital RM	Treasury Shares RM	Retained Earnings RM	Currency Translation Reserve RM	Fair Value Adjustment Reserve RM	Total Other Reserves RM	Total Equity Attributable to Owners of the Parent RM	Non-controlling Interest RM	Total Equity RM
Balance at 1 January 2011		72,000,000	(1,301,800)	35,043,576	(2,605)	(12,778)	(15,383)	105,726,393	341,922	106,068,315
Comprehensive income										
Profit for the year		-	-	2,010,435	-	-	-	2,010,435	20,754	2,031,189
Other comprehensive income										
Foreign currency translation		-	-	-	(85,702)	-	(85,702)	(85,702)	-	(85,702)
Total comprehensive income for the year		-	-	2,010,435	(85,702)	-	(85,702)	1,924,733	20,754	1,945,487
Transactions with owners										
Purchase of treasury shares	27	-	(33,088)	-	-	-	-	(33,088)	-	(33,088)
Acquisition of subsidiary companies	36	-	-	-	-	-	-	-	487,271	487,271
Dividend	35	-	-	(3,275,946)	-	-	-	(3,275,946)	-	(3,275,946)
Total transactions with owners		-	(33,088)	(3,275,946)	-	-	-	(3,309,034)	487,271	(2,821,763)
Balance at 31 December 2011		72,000,000	(1,334,888)	33,778,065	(88,307)	(12,778)	(101,085)	104,342,092	849,947	105,192,039

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Share Capital RM	Treasury Shares RM	Retained Earnings RM	Fair Value Adjustment reserve RM	Total Equity RM
		← Non-Distributable	→	Distributable	Non-Distributable	
Balance at 1 January 2010		72,000,000	(1,112,524)	11,736,806	32,725,393	115,349,675
Profit for the year, representing total comprehensive income for the year		-	-	2,218,845	(9,690,996)	(7,472,151)
Transactions with owners						
Purchase of treasury shares	27	-	(189,276)	-	-	(189,276)
Dividend	35	-	-	(4,302,425)	-	(4,302,425)
Total transactions with owners		-	(189,276)	(4,302,425)	-	(4,491,701)
Balance at 31 December 2010		72,000,000	(1,301,800)	9,653,226	23,034,397	103,385,823

	Note	Non-Distributable		Distributable	Non-Distributable	
		Share Capital RM	Treasury Shares RM	Retained Earnings RM	Fair Value Adjustment reserve RM	Total Equity RM
Balance at 1 January 2011		72,000,000	(1,301,800)	9,653,226	23,034,397	103,385,823
Profit for the year, representing total comprehensive income for the year		-	-	4,042,434	1,948,893	5,991,327
Transactions with owners						
Purchase of treasury shares	27	-	(33,088)	-	-	(33,088)
Dividend	35	-	-	(3,275,946)	-	(3,275,946)
Total transactions with owners		-	(33,088)	(3,275,946)	-	(3,309,034)
Balance at 31 December 2011		72,000,000	(1,334,888)	10,419,714	24,983,290	106,068,116

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31DECEMBER 2011

	Note	Group		Company	
		2011	2010	2011	2010
		RM	RM	RM	RM
Cash Flows from Operating Activities					
Profit before taxation		2,986,556	3,479,915	4,958,690	3,309,158
Adjustments for:					
Amortisation of other intangible assets		426,830	398,473	2,955	2,492
Bad debts written off		36,887	144,924	-	1,000
Change in fair value of investment properties		(185,000)	(267,000)	(185,000)	(267,000)
Commission payable written back		(109,619)	(282,824)	-	-
Depreciation of property, plant and equipment		4,245,875	4,101,305	54,886	91,703
Unrealised (gain)/loss on foreign exchange		(55,579)	303,746	(8,801)	-
Reversal of retirement benefit		-	(218,860)	-	-
Retirement benefits expense		705,140	-	584,516	814,543
Retirement benefits transferred (to)/from subsidiary company		-	-	(602,710)	2,647,002
Loss on disposal of property, plant and equipment		36,402	12,235	-	-
(Gain)/Loss on disposal of intangible asset		(831)	930	-	-
Property, plant and equipment written off		434,880	295,954	439	1
Intangible assets written off		1,136	-	-	-
Inventories written off		52,118	1,209,804	-	-
Reversal of inventories written off		(505,970)	-	-	-
Reversal of impairment loss on property, plant and equipment		-	(269,236)	-	-
Provision for employee benefits		70,399	148,249	-	53,133
Reversal of employee benefits		-	-	(53,650)	-
Interest expense		15,471	24,114	3	6
Investment income		(583,454)	(69,927)	-	-
Dividend revenue		-	-	(4,369,786)	(4,400,000)
Interest revenue		(49,773)	(640,046)	(321,545)	(351,201)
Impairment loss on goodwill on consolidation		-	98,140	-	-
Impairment loss recognised on trade receivables		178,348	394,077	-	-
Fair value adjustment reserves		-	(12,778)	-	-
Share of loss of associated companies		68,194	14,587	-	-
Operating profit before working capital changes		7,768,010	8,865,782	59,997	1,900,837
Balance carried down		7,768,010	8,865,782	59,997	1,900,837

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Balance brought down		7,768,010	8,865,782	59,997	1,900,837
(Increase)/Decrease in inventories		(3,844,651)	2,427,185	60	(480)
Decrease/(Increase) in receivables		1,545,604	998,809	2,134	(110,751)
Increase/(Decrease) in payables		120,294	(3,364,705)	89,279	8,069
Cash generated from operations		5,589,257	8,927,071	151,470	1,797,675
Dividend received		-	-	3,500,000	3,300,000
Interest paid		(15,471)	(24,114)	(3)	(6)
Interest received		49,773	640,046	321,545	351,201
Tax paid		(1,647,492)	(2,422,281)	(346,800)	(486,819)
Net cash generated from operating activities		3,976,067	7,120,722	3,626,212	4,962,051
Cash Flows from Investing Activities					
Advances to associated companies		(206,015)	-	-	-
Purchase of investments		-	(2,000,000)	-	(2,000,000)
Proceeds from disposal of investments		500,000	-	-	-
Additional investment in subsidiary companies		-	-	-	(600,000)
Investment in associated companies		(102,606)	(18,000)	-	(18,000)
Net cash inflow on acquisition of subsidiary companies	36	570,546	-	-	-
Proceeds from disposal of other intangible assets		2 ,500	4,422	-	-
Proceeds from disposal of property, plant and equipment		189,888	341,136	342	285
Purchase of intangible assets		(266,736)	(644,870)	(2,176)	(5,440)
Purchase of property, plant and equipment	9	(3,914,865)	(3,014,257)	(20,457)	(271,364)
Net cash used in investing activities		(3,227,288)	(5,331,569)	(22,291)	(2,894,519)

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Cash Flows from Financing Activities					
Advance to subsidiary companies		-	-	(529,255)	(2,241,601)
Repayment of term loans		(27,349)	(26,258)	-	-
Purchase of treasury shares		(33,088)	(189,276)	(33,088)	(189,276)
Payment of hire purchase liabilities		(3,060)	(5,019)		
Dividend paid		(3,275,946)	(4,302,425)	(3,274,946)	(4,302,425)
Net cash used in financing activities		(3,339,443)	(4,552,978)	(3,838,289)	(6,733,302)
Effect of exchange rate changes		493,524	52,416	(8,801)	-
Net decrease in cash and cash equivalents		(2,097,140)	(2,681,409)	(243,169)	(4,665,770)
Cash and cash equivalents at beginning of the year		40,085,817	42,767,226	2,168,034	6,833,804
Cash and cash equivalents at end of the year	37	37,988,677	40,085,817	1,924,865	2,168,034

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

1. CORPORATE INFORMATION

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

The registered office and principal place of business of the Company is located at Wisma CNI, No.2, Jalan U1/17, Seksyen U1, Hicom-Glenmarie Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan.

The ultimate holding company of the Company is Marvellous Heights Sdn. Bhd., a private limited liability company incorporated in Malaysia.

The principal activities of the Company are investment holding and the provision of management services. The principal activities of the subsidiary companies are set out in Note 12. There have been no significant changes in the nature of these activities during the financial year, except for a subsidiary company which commenced its property trading and investment activity.

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 25 April 2012.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB") and complied with the provisions of the Companies Act, 1965.

New and revised FRSs, Amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Release ("TR") adopted

On 1 January 2011, the Group and the Company adopted the following new and revised FRSs, Amendments to FRSs, IC Interpretations and TRs:

FRS 1 First-time Adoption of Financial Reporting Standards

FRS 3 Business Combinations (Revised)

FRS 127 Consolidated and Separate Financial Statements (Revised)

Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters(Amendment to FRS 1)

Improving Disclosures about Financial Instruments (Amendments to FRS 7)

Additional Exemptions for First-time Adopters (Amendments to FRS 1)

Amendments to FRS 2 Share-based Payment

Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)

Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations

Amendments to FRS 132 Financial Instruments: Presentation

Amendments to FRS 138 Intangible Assets

Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"

IC Interpretation 4 Determining whether an Arrangement contains a Lease

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

New and revised FRSs, Amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Release ("TR") adopted (cont'd)

IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives	
TR i-4	Shariah Compliant Sale Contracts

The adoption of the above FRSs, Amendments to FRSs, IC Interpretations and TRs does not have any effect on the financial statements of the Group and of the Company except for those discussed below.

Improving Disclosures about Financial Instruments (Amendments to FRS 7)

The amendments to FRS 7 expand the disclosures required in respect of fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. The amendment to FRS 7 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well as significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The fair value measurement disclosures and liquidity risk disclosures are presented in Note 43 and Note 46 to the financial statements respectively. The Group has elected not to provide comparative information for these expanded disclosures in current year in accordance with the transitional reliefs offered in these amendments.

FRS 3, Business Combinations (Revised) and FRS 127, Consolidated and Separate Financial Statements (Revised)

The revised FRS 3 introduces a number of significant changes to the accounting for business combinations with greater use of fair value. These changes include recognising all acquisition-related costs as expense, measuring any pre-existing interest at fair value and allowing measurement of non-controlling interest (previously known as minority interest) at either fair value or at its proportionate share of the acquiree's net identifiable assets. The revised FRS 127 requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the non-controlling interests to be absorbed by minority shareholders instead of by the parent even if the losses exceed the non-controlling interests in the subsidiary's equity. The Group has applied the changes of revised FRS 3 and FRS 127 prospectively.

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)
New and revised FRSs, Amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Release ("TR") adopted (cont'd)

FRS 3, Business Combinations (Revised) and FRS 127, Consolidated and Separate Financial Statements (Revised (cont'd)***)***

There is no financial impact on the financial statements of the Group for the current financial year other than changes in accounting policies.

Amendments to FRS 7 [Improvements to FRSs (2010)]

The amendment clarifies that quantitative disclosures of risk concentrations are required if the disclosures made in other parts of the financial statements are not readily apparent. The disclosure on maximum exposure to credit risk is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk. The Group expects to improve the disclosures on maximum exposure to credit risk upon adoption of these amendments.

MFRS Framework issued but not yet effective

On 19 November 2011, MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework") in conjunction with the MASB's plan to converge with International Financial Reporting Standards ("IFRS") in 2012. The MFRS Framework comprises Standards as issued by the International Accounting Standards Board ("IASB") that are effective on 1 January 2012 and new/revised Standards that will be effective after 1 January 2012.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer.

As such, the Group and the Company will prepare its first financial statements using the MFRS Framework for the year ending 31 December 2012. In presenting its first MFRS financial statements, the Group and the Company may be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework.

The Group and the Company is currently in the process of determining the financial impact arising from the adoption of the MFRS Framework.

2. BASIS OF PREPARATION (cont'd)

(b) Basis of measurement

The measurement bases applied in the preparation of the financial statements include cost, recoverable amount, realisable value and fair value. Estimates are used in measuring these values.

(c) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements of the Group and of the Company are presented in Ringgit Malaysia (RM) which is also the Company's functional currency. All financial information presented in RM has been rounded to the nearest RM, unless otherwise stated.

(d) Significant accounting estimates and judgements

Significant areas of estimation, uncertainty and critical judgements used in applying accounting principles that have significant effect on the amount recognised in the financial statements are as follows:-

(i) Depreciation of property, plant and equipment (Note 9)– The cost of property, plant and equipment is depreciated on a straight line method over the assets' useful lives.Management estimates the useful lives of these property, plant and equipment to be within 7 to 50 years. These are common life expectancies applied generally. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Amortisation of intangible asset (Note 16) - the cost of intangible asset is amortised on a straight line basis over the assets' useful lives. Management estimates the useful lives of these intangible assets to be 10 years. The amortisation period and the amortisation method for computer software are reviewed at least at each reporting date. Therefore, future amortisation charges could be revised.

(iii) Annual testing for impairment of goodwill (Note 15) - the measurement of the recoverable amount of cash-generating units are determined based on the value-in-use method, which requires the use of cash flow projections based on financial budgets approved by management covering a 5-year period. For cash flows beyond the fifth year period, it is extrapolated using estimated growth rates and discount rates applied to the cash flow projections.

(iv) Deferred tax assets (Note 18) - deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the future financial performance of the Group and of the Company.

(v) Operating lease commitments – as lessor – The Group and the Company have entered into commercial property leases on its investments properties. The commercial properties combined leases of land and buildings. At the inception of the lease, it was not possible to obtain a reliable estimate of the split of the fair values of the lease interest between the land and the buildings. Therefore, the Group and the Company evaluated based on terms and conditions of the arrangement, whether the land and the buildings were clearly operating leases or finance leases. Management judged that it retains all the significant risks and rewards of ownership of these properties, thus accounted for the contracts as operating leases.

(vi) Impairment of loans and receivables (Note 17 & 20) – The Group and the Company assess at each reporting date whether there is any objective evidence that a receivable is impaired. Allowances are applied where events or changes in circumstances indicate that the balances may not be collectible. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

The consolidated financial statements incorporate the audited financial statements of the company and all of its subsidiaries which are disclosed in Note 12 made up to the end of the financial year.

All intra-group balances, transactions and resulting unrealised profits and losses (unless cost cannot be recovered) are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

Subsidiaries are consolidated using the purchase method, from the date of acquisition being the date on which the Company obtains control and continue to be consolidated until the date that such control ceases. The assets, liabilities and contingent liabilities assumed from a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated financial statements. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Where the present ownership interests in the acquiree and it entitles the holders to aproportionate share of the acquiree's net assets in the event of liquidation, the Group elects for each individual business combination, whether non-controlling interests in the acquisition is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Non-controlling interest represents the equity in subsidiary companies not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributable to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interest having a deficit balance.

Changes in the Company owners' ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

The Group has applied the revised FRS 127 prospectively on 1 January 2011 in accordance with the transitional provisions. Accordingly, transactions with non-controlling interests prior to the respective effective date have not been restated to comply with the Standard.

Business combination involving entities under common control are accounted for by applying the pooling-of-interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the acquired entity is reflected within equity as reverse acquisition reserve. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

(b) Subsidiary Company

A subsidiary is an entity in which the Company has the power to exercise control over its financial and operating policies so as to obtain benefits from its activities. In assessing control, the existence and effect of potential voting rights that are currently exercisable are taken into account.

Investments in subsidiaries, which are eliminated on consolidation, are classified as available-for-sale financial assets in the Company's financial statements. The policy for the recognition and derecognition of investments in subsidiaries is disclosed in Note 3(h).

(c) Associated Company

An associated company is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associated company is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associated company.

The Group's investments in associated company are accounted for using the equity method. Under the equity method, the investment in associated company is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associated company. Goodwill relating to associated company is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associated company's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associated company's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, the Group does not recognised further losses, unless it has incurred obligations or made payments on behalf of the associated company.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associated company. The Group determines at each reporting date whether there is any objective evidence that the investment in the associated company is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associated company and its carrying value and recognised the amount in profit or loss.

The financial statements of the associated company are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associated company are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Goodwill

Goodwill acquired in a business combination represents the difference between the purchase consideration and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities in the subsidiary companies at the date of acquisition.

Goodwill is allocated to cash generating units and is stated at cost less accumulated impairment losses, if any. Impairment test is performed annually. Goodwill is also tested for impairment when indication of impairment exists. Impairment losses recognised are not reversed in subsequent periods.

Upon the disposal of investment in the subsidiary company, the related goodwill will be included in the computation of gain or loss on disposal of investment in the subsidiary company in the consolidated statement of comprehensive income.

(e) Other Intangible Assets

i. Computer software

Computer software acquired separately is measured on initial recognition at cost. These assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

Computer software is amortised at annual rate of 10% on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life. Computer software is assessed for impairment whenever there is an indication that it may beimpaired. The amortisation period and the amortisation method for computer software are reviewed at least at each reporting date.

ii. Trademark

Trademark acquired is measured on initial recognition at cost. The useful life of the trademark is assessed to be indefinite and are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of trademark is reviewed annually to determine whether the useful life assessment continues to be supportable.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the assets is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that are directly attributable to the acquisition of the asset. Subsequent costs are included in the assets' carrying amount or recognised as separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

Freehold land is not depreciated and all other property, plant and equipment are depreciated on the straight line method to write off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates used for this purpose are:-

Buildings	2%
Plant and machinery and laboratory equipment	10%
Motor vehicles	10% - 15%
Office equipment, furniture, fittings, renovation, electrical installation and computer hardware	10 % - 20%

The residual values, useful lives and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. These are adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the statement of comprehensive income.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

(g) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

i. Financial Assets at Fair Value through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

ii. Loans and Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

The Group and the Company classify the following financial assets as loan and receivables:
- cash and cash equivalents;
- trade and other receivables including amount owing by subsidiaries companies.

iii. Available-for-sale Financial Assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the two preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Financial Assets (cont'd)

iii. Available-for-sale Financial Assets (cont'd)

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases and sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

(i) Capital Work-In-Progress

Capital work-in-progress is stated at cost less any accumulated impairment losses and includes borrowing cost incurred during the period of construction.

No depreciation is provided on capital work-in-progress and upon completion of construction, the cost will be transferred to property, plant and equipment.

(j) Inventories

Inventories (others than properties) are stated at the lower of cost and net realisable value and cost is determined on the weighted average basis or first-in-first-out basis. Cost includes the actual cost of purchase and incidentals in bringing the inventories into store. The cost of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

Inventories (properties) are stated at the lower of cost of purchase based on the agreement between the company and the developer and net realisable value.

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Impairment of Non-Financial Assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less cost to sell and the value in use, which is measured by reference to discounted future cash flows and is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs to. An impairment loss is recognised whenever the carrying amount of an item of asset exceeds its recoverable amount. An impairment loss is recognised as an expense in the profit or loss.

Any subsequent increase in recoverable amount due to a reversal of impairment loss is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior years. The reversal of impairment loss is recognised as revenue in the profit or loss.

(l) Impairment of Financial Assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

i. Trade and Other Receivables and Other Financial Assets Carried at Amortised Cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Impairment of Financial Assets (cont'd)

ii. Unquoted Equity Securities Carried at Cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

iii. Available-for-sale Financial Assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debtinvestments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(m) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

(n) Share Capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(o) Treasury Shares

When issued shares of the Company are repurchased, the consideration paid, including any attributable transaction cost is presented as a change in equity. Repurchased shares that have not been cancelled are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the profit or loss on the sale, re-issuance or cancellation of treasury shares. When treasury shares are re-issued by resale, the difference between the sales consideration and the carrying amount of the treasury shares is shown as a movement in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. The increase in the provision due to the passage of time is recognised as finance costs.

(q) Leases

i. Finance Leases – the Group as Lessee

Assets acquired by way of finance leases where the Group assumes substantially all the benefits and risks of ownership are classified as property, plant and equipment.

Finance lease are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The corresponding finance lease obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance lease is depreciated in accordance with the depreciation policy for property, plant and equipment.

ii. Operating Leases – the Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

iii. Operating Leases – the Group and the Company as Lessor

Assets leased out under operating leases are presented on the statement of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(r) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

The Group's and the Company's financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Financial Liabilities (cont'd)

Term loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(s) Tax expense

Tax expense in profit or loss represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the year, using tax rates enacted or substantially enacted by the reporting date, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Employee Benefits

i. Short Term Employee Benefits

Wages, salaries, social security contributions and bonuses are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii. Defined Contribution Plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund. Such contributions are recognised as an expense in the profit or loss as incurred.

iii. Retirement Benefit Plans

The Group operates an unfunded defined benefit plan for eligible directors as provided in the services contract agreements between the companies in the Group and their directors.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that directors would have earned in return for their service in the current and prior years, that benefit is discounted to determine the present value and the fair value of any plan assets is deducted. The discount rate is the market yield at the reporting date on high quality corporate bonds or government bonds.

The calculation is performed by an actuary using the projected unit credit method. In the intervening years, the calculation may be updated by the actuary based on approximations unless material changes in demographics or business processes have been identified that would cause doubt in the application of approximations, in which case detailed analysis would be necessary at the interim date. The most recent review was performed in March 2012.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by directors is recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

In calculating the Group's obligation in respect of a plan, to the extent that any cumulative unrecognised actuarial gain or loss exceeds ten per cent of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognised in profit or loss over the expected average remaining working lives of the directors participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(u) Foreign Currencies

i. Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the company's net investment in foreign operations are recognised in profit or loss in the company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

ii. Foreign Operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:-

(i) Assets and liabilities for each reporting date presented are translated at the closing rate prevailing at the reporting date;

(ii) Income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

(iii) All resulting exchange differences are taken to other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January, 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rate prevailing at the date of acquisition.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(v) Revenue Recognition

i. Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

ii. Rental revenue

Rental revenue from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

iii. Dividend revenue

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

iv. Interest revenue

Interest revenue is recognised on an accrual basis using the effective interest method.

v. Management Fees

Management fees are recognised when services are rendered.

(w) Borrowing Costs

Borrowing costs in respect of expenditure incurred on acquisition of property, plant and equipment is capitalised during the period when activities to plan, develop and construct these assets are undertaken. Capitalisation of borrowing costs ceases when these assets are ready for their intended use or sale.

All other borrowings costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(x) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by their respective segment managers responsible for the performance of the respective segments under their charge. The segment manager report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are disclosed in Note 41, including the factors used to identify the reportable segments and the measurement basis of segment information.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(y) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(z) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

4. OPERATING REVENUE

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Sale of goods	122,088,281	130,139,458	-	-
Sale of food and beverages	4 ,093,731	3,964,677	-	-
Management fees	-	-	4,809,762	5,052,980
Rental revenue from investment properties	400,140	336,940	422,140	363,940
Dividend revenue	-	-	4 ,369,786	4 ,400,000
	126,582,152	134,441,075	9,601,688	9,816,920

5. DIRECT OPERATING COSTS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Cost of sales	49,775,794	50,426,616	-	-
Cost of food and beverages sold	4,277,478	4,707,197	-	-
Operating expenses of investment properties - income generating	135,895	106,628	135,895	106,628
	54,189,167	55,240,441	135,895	106,628

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):-

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Amortisation of other intangible assets	426,830	398,473	2,955	2,492
Auditors' remuneration				
- statutory audits	187,464	176,347	10,000	10,000
- other services	11,000	11,000	11,000	11,000
Bad debts written off	36,887	144,924	-	1,000
Change in fair value of investment properties	(185,000)	(267,000)	(185,000)	(267,000)
Commission payable written back	(109,619)	(282,824)	-	-
Depreciation of property, plant and equipment	4,245,875	4,101,305	54,886	91,703
Reversal of impairment loss on property,plant and equipment	-	(269,236)	-	-
Impairment loss recognised on trade receivables	178,348	394,077	-	-
Impairment loss on goodwill on consolidation	-	98,140	-	-
Intangible assets written off	1,136	-	-	-
Interest expense	15,471	24,114	3	6
Interest revenue	(49,773)	(640,046)	(321,545)	(351,201)
Inventories written off	52,118	1,209,804	-	-

6. **PROFIT BEFORE TAXATION** (cont'd)

Profit before taxation is arrived at after charging/(crediting):- (cont'd)

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Investment income	(583,454)	(69,927)	-	-
Loss on disposal of property, plant and equipment	36,402	12,235	-	-
(Gain)/Loss on disposal of intangible assets	(831)	930	-	-
(Gain)/Loss on foreign exchange				
- realised	93,693	351,236	-	-
- unrealised	(55,579)	303,746	(8,801)	-
Other rental revenue	(660,798)	(640,375)	-	-
Property, plant and equipment written off	434,880	295,954	439	1
Rental of premises	3,872,045	2,708,839	182,520	182,520
Reversal of inventories written off	(505,970)	-	-	-
Employees benefit expenses (i)	25,840,884	25,503,144	3,848,987	5,459,846

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
(i) Included in employees benefit expenses are:-				
Contributions to defined contribution plan	2,334,100	2,285,733	324,838	505,804
Directors' remuneration	5,777,342	4,752,078	2,742,860	3,099,696
Provision for/(Reversal of) employee benefits	70,399	148,249	(53,650)	53,133

6. PROFIT BEFORE TAXATION (cont'd)

(a) Directors' remuneration

The Directors of the Company in office since the date of last report are as follows:-

Executive Directors
Dato' Koh Peng Chor
Tan Sia Swee
Law Yang Ket
Cheong Chin Tai
Chew Boon Swee

Non-Executive Directors
Zulkifli Bin Mohamad Razali
Lim Lean Eng
Dr Ch'ng Huck Khoon

The aggregate amounts of emoluments receivable by Directors of the Company during the financial year are as follows:-

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Executive Directors				
- emoluments	4,670,268	4,606,538	1,993,966	2,111,928
- retirement benefits	705,140	(218,860)	584,516	814,543
	5,375,408	4,387,678	2,578,482	2,926,471
Non-executive Directors				
- fees	108,000	126,000	108,000	126,000
- emoluments	180,843	159,300	21,500	20,500
	288,843	285,300	129,500	146,500
Total remuneration (excluding benefit-in-kind)	5,664,251	4,672,978	2,707,982	3,072,971
Estimated money value of benefit-in-kind	113,091	79,100	34,878	26,725
Total remuneration (including benefit-in-kind)	5,777,342	4,752,078	2,742,860	3,099,696

7. TAXATION

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Current income tax				
Based on results for				
the year - Malaysian tax	1,632,517	1,518,952	1,220,300	1,284,600
Under/(over) provision in				
prior year	62,914	(167,434)	(183,344)	5,413
	1,695,431	1,351,518	1,036,956	1,290,013
Deferred tax (Note 18)				
(Over)/under provision in				
prior year	50,865	(1,000)	(8,000)	1,000
Origination and reversal of				
temporary differences	(790,929)	(296,286)	(112,700)	(200,700)
	(740,064)	(297,286)	(120,700)	(199,700)
Tax expense	955,367	1,054,232	916,256	1,090,313

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

7. TAXATION (cont'd)

The reconciliation from the tax amount at statutory tax rate to the Group's and the Company's tax expenses are as follows:-

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Profit before taxation	2,986,556	3,479,915	4,958,690	3,309,158
Tax at the Malaysian statutory income tax rate of 25%	746,639	870,000	1,239,700	827,290
Effect of different tax rates in foreign jurisdiction	51,464	24,200	-	-
Tax effects arising from:-				
- non-deductible expenses	419,903	844,966	127,600	310,010
- double deduction expenses	(113,600)	(106,900)	-	-
- non-taxable revenue	(502,518)	(860,900)	(222,700)	-
Capital allowance clawback	18,500	-	-	-
Under/(Over) provision of income tax in prior year	62,914	(167,434)	(183,344)	5 ,413
Under/(Over) provision of deferred tax in prior year	50,865	(1,000)	(8,000)	1,000
Effect of differential tax rate on deferred tax	(37,000)	(53,400)	(37,000)	(53,400)
Deferred tax assets not recognised during the year	258,200	504,700	-	-
Tax expense	955,367	1,054,232	916,256	1,090,313

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 December 2010 and 2011 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 December 2011, the Company has sufficient credit in the 108 balance to pay franked dividends out of its entire retained earnings.

The Group has unutilised tax losses and unabsorbed capital allowances of RM10,188,200 (2010 : RM6,791,829) and RM2,803,700 (2010 : RM2,983,100) respectively.

8. EARNINGS PER SHARE

The basic earnings per share of the Group is calculated by dividing the Group's profit for the year attributable to owners of the parent of RM2,010,435 (2010: RM2,285,081) by the weighted average number of ordinary share in issue during the year of 716,043,605 (2010: 716,755,892) ordinary shares of RM0.10 each after deducting the weighted average number of shares repurchased. Diluted earnings per share is not disclosed as the Group does not have any dilutive instrument.

9. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land RM	Buildings RM	Plant, Machinery & Laboratory Equipment RM	Motor Vehicles RM	Furniture, Fittings, Renovation & Office Equipment RM	Total RM
Cost						
At 1.1.11	4,621,097	33,249,913	22,383,124	4,821,443	17,721,833	82,797,410
Acquisition of a subsidiary company	-	-	-	-	59,512	59,512
Reclassified to other intangible assets (Note 16)	-	-	-	-	(1,145)	(1,145)
Reclassification	-	-	3,575	-	(3,575)	-
Additions	-	1,835,067	491,436	183,815	1,423,547	3,933,865
Disposals	-	-	(290)	(162,564)	(192,851)	(355,705)
Written off	-	-	(5,223)	-	(743,200)	(748,423)
Translation adjustments	-	-	-	-	9,816	9,816
At 31.12.11	4,621,097	35,084,980	22,872,622	4,842,694	18,273,937	85,695,330
Accumulated Depreciation						
At 1.1.11	-	7,543,229	16,866,342	3,078,503	9,879,023	37,367,097
Acquisition of a subsidiary company	-	-	-	-	17,889	17,889
Charge for the year	-	696,030	1,513,440	459,938	1,576,467	4,245,875
Reclassified to other intangible assets (Note 16)	-	-	-	-	(468)	(468)
Reclassification	-	-	684	1	(685)	-
Disposals	-	-	(70)	(69,090)	(60,255)	(129,415)
Written off	-	-	(4,599)	-	(308,944)	(313,543)
Translation adjustments	-	-	-	-	5,588	5,588
At 31.12.11	-	8,239,259	18,375,797	3,469,352	11,108,615	41,193,023
Net Carrying Amount						
At 31.12.11	4,621,097	26,845,721	4,496,825	1,373,342	7,165,322	44,502,307

9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold Land RM	Buildings RM	Plant, Machinery & Laboratory Equipment RM	Motor Vehicles RM	Furniture, Fittings, Renovation & Office Equipment RM	Total RM
Cost						
At 1.1.10	4,621,097	33,167,077	22,344,350	4,719,093	16,513,454	81,365,071
Reclassified to other intangible assets (Note 16)	-	-	-	-	(27,635)	(27,635)
Addtions	-	109,836	125,053	424,250	2,371,118	3,030,257
Disposals	-	-	(53,500)	(321,900)	(138,445)	(513,845)
Written off	-	(27,000)	(32,779)	-	(931,572)	(991,351)
Translation adjustments	-	-	-	-	(65,087)	(65,087)
At 31.12.10	4,621,097	33,249,913	22,383,124	4,821,443	17,721,833	82,797,410
Accumulated Depreciation and Impairment Loss						
At 1.1.10	-	7,022,116	15,319,645	2,679,515	9,399,650	34,420,926
Charge for the year	-	665,003	1,609,177	465,949	1,361,176	4,101,305
Reclassified to other intangible assets (Note 16)	-	-	-	-	(26,207)	(26,207)
Disposals	-	-	(31,733)	(66,961)	(61,780)	(160,474)
Written off	-	(4,140)	(30,747)	-	(660,510)	(695,397)
Reversal of impairment loss	-	(139,750)	-	-	(129,486)	(269,236)
Translation adjustments	-	-	-	-	(3,820)	(3,820)
At 31.12.10	-	7,543,229	16,866,342	3,078,503	9,879,023	37,367,097
Net Carrying Amount						
At 31.12.10	4,621,097	25,706,684	5,516,782	1,742,940	7,842,810	45,430,313

9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Office Equipment, Furniture & Fittings RM	Motor Vehicles RM	Electrical Installation RM	Computer Hardware RM	Total RM
Company					
Cost					
At 1.1.11	19,422	857,012	3,995	83,266	963,695
Additions	11,738	-	1,100	7,619	20,457
Disposals	(340)	-	(110)	-	(450)
Reclassified to other intangible assets (Note 16)	-	-	-	(1,145)	(1,145)
Reclassification	2,419	-	(2,422)	3	-
Written off	(3,553)	-	-	(894)	(4,447)
At 31.12.11	29,686	857,012	2,563	88,849	978,110
Accumulated Depreciation					
At 1.1.11	14,995	274,138	3,658	20,935	313,726
Charge for the year	1,067	44,981	77	8,761	54,886
Disposals	(91)	-	(17)	-	(108)
Reclassified to other intangible assets (Note 16)	-	-	-	(468)	(468)
Reclassification	2,421	1	(2,420)	(2)	-
Written off	(3,543)	-	-	(465)	(4,008)
At 31.12.11	14,849	319,120	1,298	28,761	364,028
Net Carrying Amount					
At 31.12.11	14,837	537,892	1,265	60,088	614,082

9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Office Equipment, Furniture & Fittings	Motor Vehicles	Electrical Installation	Computer Hardware	Total
	RM	RM	RM	RM	RM
Company					
Cost					
At 1.1.10	19,149	601,778	3,995	67,835	692,757
Additions	399	255,234	-	15,731	271,364
Disposal	-	-	-	(300)	(300)
Written off	(126)	-	-	-	(126)
At 31.12.10	19,422	857,012	3,995	83,266	963,695
Accumulated Depreciation					
At 1.1.10	14,473	190,564	3,621	13,505	222,163
Charge for the year	647	83,574	37	7,445	91,703
Disposals	-	-	-	(15)	(15)
Written off	(125)	-	-	-	(125)
At 31.12.10	14,995	274,138	3,658	20,935	313,726
Net Carrying Amount					
At 31.12.10	4,427	582,874	337	62,331	649,969

a) Net carrying amount of office equipment acquired under hire purchase arrangements are as follows:-

	Group	
	2011	2010
	RM	RM
Office equipment	18,525	14,625

b) During the financial year, the Group and the Company acquired property, plant and equipment with aggregate cost of RM3,933,865 (2010: RM3,030,257) and RM20,457 (2010: RM271,364) respectively, which were satisfied as follows:-

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Finance lease liabilities	19,000	16,000	-	-
Cash payments	3,914,865	3,014,257	20,457	271,364
	3,933,865	3,030,257	20,457	271,364

c) In year 2009, the Group carried out a review of the recoverable amount of its property, plant and equipment arising from the Group's plan to undertake renovation works in its building. The recognised impairment loss of RM269,236 of buildings and equipment was reversed in 2010 as the impairment loss was written off upon completion of the renovation works.

10. CAPITAL WORK-IN-PROGRESS

	Group	
	2011	2010
	RM	RM
At cost		
At beginning of the year	391,779	391,779
Less: Impairment loss	(391,778)	(391,778)
At end of the year	1	1

Capital work-in-progress is in respect of the acquisition of a service apartment by a subsidiary company, Exclusive Mark (M) Sdn. Bhd. This development project was abandoned by the developer when it was 85% completed. Negotiation is in progress to engage a new developer to take over the development project and complete the development.

This construction in progress is charged for a term loan facility granted by a financial institution to the subsidiary company concerned as mentioned in Note 30.

11. INVESTMENT PROPERTIES

	Group/Company	
	2011	2010
	RM	RM
At fair value		
At beginning of the year	9,380,000	9,113,000
Change in fair value	185,000	267,000
Reclassified to non-current assets held for sale (Note 25)	(1,165,000)	-
At end of the year	8,400,000	9,380,000

The following investment properties are held under lease terms:-

	Group/Company	
	2011	2010
	RM	RM
Leasehold shophouse	-	800,000
Leasehold shoplots	8,400,000	8,350,000
Leasehold condominium	-	230,000
	8,400,000	9,380,000

The fair value of investment properties are estimated based on valuation by independent professionally qualified valuers with recent experience in the location and category of properties being valued.

12. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2011 RM	Company 2010 RM
Available-for-sale financial assets		
- Unquoted shares		
At beginning of the year	83,168,802	92,259,798
Additions	-	600,000
Fair value gain/(loss)	1,948,893	(9,690,996)
At end of the year	85,117,695	83,168,802

The particulars of subsidiary companies are as follows:-

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest 2011	Effective Equity Interest 2010
Held by the Company				
CNI Enterprise (M) Sdn. Bhd.	Malaysia	Sale and distribution of health care and consumer products	100%	100%
Exclusive Mark (M) Sdn. Bhd.	Malaysia	Manufacturing, trading and packaging of all kinds of foodstuffs and beverages	100%	100%
Q-Pack (M) Sdn. Bhd.	Malaysia	Manufacturing, trading and packaging of household and personal care products	100%	100%
Symplesoft Sdn. Bhd.	Malaysia	Provision of information technology, shared services and e-commerce related services	100%	100%
Infuso Sdn. Bhd.	Malaysia	Property trading and investment, supply of food and beverage	100%	100%
Lotus Supplies Sdn. Bhd.	Malaysia	Import and distribution of food ingredients	70%	70%
Held Through CNI Enterprise (M) Sdn. Bhd.				
# Creative Network International (S) Pte. Ltd.	Singapore	Sale and distribution of health care and consumer products in Singapore	100%	100%
Held Through Infuso Sdn. Bhd.				
Regal Effect Sdn. Bhd.	Malaysia	Operation of food and beverage outlets, namely Otak-Otak Place	100%	100%
Held Through Symplesoft Sdn. Bhd.				
Symplesoft eSolutions Sdn. Bhd.	Malaysia	Provision of software and e-commerce solutions	100%	100%

12. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest 2011	2010
Held Through Symplesoft Sdn. Bhd.				
Sierra Edge Sdn. Bhd.	Malaysia	Software research and development	60%	-
Held Through Exclusive Mark (M) Sdn. Bhd.				
Bright Way Avenue Sdn.Bhd.	Malaysia	Marketing and distributing wine, coffee and other related beverage products	100%	-
# Top One-Biotech Co. Ltd	Taiwan	Manufacturing, sale and distribution of foodstuffs and groceries.	70%	-

The financial statements of this subsidiary company is audited by a member firm of Moore Stephens International Limited.

13. INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Unquoted shares, at cost	120,606	18,000	18,000	18,000
Share of post-acquisition reserves	(82,781)	(14,587)	-	-
Net carrying amount	37,825	3,413	18,000	18,000

The particular of associated companies are as follows:-

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest 2011	2010
Agriscience Biotech (M) Sdn. Bhd.	Malaysia	Provision of consultancy services for agriculture in bio-technology industry and full range of bio-technology products and services	30%	30%
Creative Network International (T) Pte. Ltd.	Thailand	Dormant	49%	–

The financial statements of the above associated companies are coterminous with those of the Group.

13. INVESTMENT IN ASSOCIATED COMPANIES (cont'd)

The summarised financial information of the associated companies are as follows:

	Group	
	2011	2010
	RM	RM
Assets and liabilities		
Current assets	2,235	29,970
Non-current assets	80,225	2,831
Total assets	82,460	32,801
Current liabilities, representing total liabilities	157,996	21,425
Results		
Revenue	8,644	-
Loss for the year	(267,741)	(48,624)

The Group has not recognised losses relating to Agriscience Biotech (M) Sdn. Bhd. where its share of losses exceeds the Group's interest in this associated company. The Group's cumulative share of unrecognised losses at the reporting date was RM37,248 (2010: RM nil), of which RM37,248 (2010: RM nil) was the share of the current year's losses. The Group has no obligation in respect of these losses.

14. INVESTMENTS

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Non-current				
Available-for-sale financial assets				
- Equity instruments (unquoted), at cost	2,000,000	2,500,000	2,000,000	2,000,000
Current				
Held for trading investments				
- Unit trusts (quoted in Malaysia)	21,845,442	24,161,975	-	1,000,000
Total investments	23,845,442	26,661,975	2,000,000	3,000,000
Market value of quoted investments	21,845,442	24,161,975	-	1,000,000

The fair value information has not been disclosed for the unquoted equity instruments as its fair value cannot be measured reliably. The unquoted equity instruments are in respect of shares of which no active market is available.

15. GOODWILL

	Group 2011 RM	Group 2010 RM
Cost		
At beginning of the year	219,111	219,111
Additions during the year (Note 36)	724,891	-
At end of the year	944,002	219,111
Accumulated Impairment Loss		
At beginning of the year	219,111	120,971
Charge for the year	-	98,140
At end of the year	219,111	219,111
Net carrying amount	724,891	-

Goodwill arising from business combinations has been allocated to the Group's CGUs identified according to the following segments:

	Group 2011 RM	Group 2010 RM
Food and beverages	96,103	96,103
Manufacturing	2,037	2,037
Marketing and trading	845,862	120,971
	944,002	219,111

Key assumptions used in value-in-use calculations
The recoverable amount is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a one year period. The key assumptions used for value-in-use calculations are:

	Group 2011 RM	Group 2010 RM
Key assumptions used in value-in-use calculations		
Gross margin	28%	-
Growth rate	30%	-
Discount rate	5.5%	-

15. GOODWILL (cont'd)

The calculations of value in use are most sensitive to the following assumptions:

Gross margin – Gross margin is based on average supply price prior to the acquisition. These are expected to remain stable for the next three years.

Growth rate – The growth rate is based on management assessment on the impact of the aggressive marketing and sales activities to be carried as well as the average growth rate for the similar companies.

Discount rates – Discount rates reflect the current market assessment of the risks. This is the benchmark used by management to assess operating performance and to evaluate future investments proposals.

Sensitivity to change in assumptions
With regard to the assessment of value-in-use calculation, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value to materially exceed its recoverable amount.

Impairment loss recognised
In prior year, the Group recognised impairment loss of RM219,111 in respect of the goodwill arising on consolidation. The goodwill relates to certain subsidiary companies which are loss-making as a result of poor performance from these subsidiaries, hence the related goodwill had been impaired accordingly.

16. OTHER INTANGIBLE ASSETS

	Group			Company
	Computer Software	Trademark	Total	Computer Software
	RM	RM	RM	RM
Cost				
At 1.1.11	5,270,546	25,779	5,296,325	27,916
Acquisition of a subsidiary company	4,000	-	4,000	-
Additions	266,736	-	266,736	2,176
Reclassified from property,				
plant and equipment (Note 9)	1,145	-	1,145	1,145
Disposal	(2,250)	-	(2,250)	-
Written off	(5,424)	-	(5,424)	-
At 31.12.11	5,534,753	25,779	5,560,532	31,237
Accumulated Amortisation				
At 1.1.11	2,358,487	-	2,358,487	6,512
Acquisition of a subsidiary company	2,400	-	2,400	-
Charge for the year	426,830	-	426,830	2,955
Reclassified from property,				
plant and equipment (Note 9)	468	-	468	468
Disposal	(581)	-	(581)	-
Written off	(4,288)	-	(4,288)	-
At 31.12.11	2,783,316	-	2,783,316	9,935
Net carrying amount at 31.12.11	2,751,437	25,779	2,777,216	21,302

16. OTHER INTANGIBLE ASSETS (cont'd)

	Group			Company
	Computer Software	Trademark	Total	Computer Software
	RM	RM	RM	RM
Cost				
At 1.1.10	4,611,113	19,468	4,630,581	22,476
Additions	638,559	6,311	644,870	5,440
Reclassified from property, plant and equipment (Note 9)	27,635	-	27,635	-
Disposal	(6,761)	-	(6,761)	-
At 31.12.10	5,270,546	25,779	5,296,325	27,916
Accumulated Amortisation				
At 1.1.10	1,935,216	-	1,935,216	4,020
Charge for the year	398,473	-	398,473	2,492
Reclassified from property, plant and equipment (Note 9)	26,207	-	26,207	-
Disposal	(1,409)	-	(1,409)	-
At 31.12.10	2,358,487	-	2,358,487	6,512
Net carrying amount at 31.12.10	2,912,059	25,779	2,937,838	21,404

Trademark
Trademark relates to "Pick'N Brew" brand name for the Group's restaurant that was acquired in business combination. As disclosed in Note 3(e), the useful life of this brand is estimated to be indefinite.

Amortisation expense
The amortisation of software is included in the "Administrative costs" line item in the statement of comprehensive income.

17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Non-current				
Other receivables	15,400	17,155	-	-
Current				
Advance to suppliers	106,344	68,508	-	-
Other receivables	457,345	549,142	94,091	9,923
Deposits	1,531,489	1,527,107	71,628	135,011
Prepayments	658,634	644,023	29,210	66,225
	2,753,812	2,788,780	194,929	211,159
Total	2,769,212	2,805,935	194,929	211,159

17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (cont'd)

Included in other receivables are amounts owing by the following:-

	Group		Company	
	2011	2010	2011	2010
Related company	RM	RM	RM	RM
Deposits	134,420	-	30,420	30,420
Related parties				
Other receivables	108,765	29,891	-	-

Included in other receivables of the Group are staff car loans amounting to RM 14,192 (2010: RM67,907) which bears interest at rates ranging from 1.0% to 1.5% (2010: 0.5% to 3.5%) per annum. The staff loans are recognised initially at fair value. The difference between the fair value and the nominal amount represents payment for services to be rendered during the period of the staff loan and is recorded as part of prepaid operating expenses.

18. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
(a) Deferred tax assets				
At beginning of the year	3,342,098	3,221,912	1,074,400	874,700
Recognised in profit or loss (Note 7)	506,388	120,186	120,700	199,700
At end of the year	3,848,486	3,342,098	1,195,100	1,074,400

Presented after appropriate off-setting as follows:-

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Deferred tax assets	4,756,286	4,021,098	1,318,000	1,186,000
Deferred tax liabilities	(907,800)	(679,000)	(122,900)	(111,600)
	3,848,486	3,342,098	1,195,100	1,074,400

18. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

The components of deferred tax assets/(liabilities) prior to offsetting are as follow:-

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Deferred tax assets				
Retirement benefits	3,368,700	3,207,400	1,309,000	1,163,000
Unrealised loss on foreign exchange	7,000	68,700	-	-
Provision for employee benefits	54,700	37,600	9,000	23,000
Allowance for inventory written off	97,200	-	-	-
Unabsorbed capital allowances	397,900	387,500	-	-
Unutilised tax losses	342,150	-	-	-
Unrealised profits on inventories	488,636	319,898	-	-
	4,756,286	4,021,098	1,318,000	1,186,000

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Deferred tax liabilities				
Unrealised gain on foreign exchange	(2,000)	-	(2,000)	-
Differences between the carrying amounts of property, plant and equipment and their tax bases	(814,900)	(597,400)	(30,000)	(30,000)
Change in fair value of investment properties	(90,900)	(81,600)	(90,900)	(81,600)
	(907,800)	(679,000)	(122,900)	(111,600)

The deferred tax assets recognised in the financial statements are in respect of retirement benefits which can be utilised to set-off against probable future taxable income based on profit forecast for the next financial year.

	Group	
(b) Deferred tax liabilities	2011	2010
	RM	RM
At beginning of the year	(2,279,800)	(2,456,900)
Recognised in profit or loss (Note 7)	233,676	177,100
At end of the year	(2,046,124)	(2,279,800)

18. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

(b) Deferred tax liabilities (cont'd)

Presented after appropriate off-setting as follows:-

	Group 2011 RM	Group 2010 RM
Deferred tax liabilities	(2,819,191)	(3,130,300)
Deferred tax assets	773,067	850,500
	(2,046,124)	(2,279,800)

(b) Deferred tax assets (cont'd)

The components of deferred tax assets/(liabilities) prior to offsetting are as follow:-

	Group 2011 RM	Group 2010 RM
Deferred tax liabilities		
Differences between the carrying amounts of property, plant and equipment and their tax bases	(2,818,791)	(3,127,700)
Taxable temporary differences arising from income	(400)	(2,600)
	(2,819,191)	(3,130,300)
Deferred tax assets		
Retirement benefits	502,000	487,000
Unabsorbed reinvestment allowances	10,800	10,800
Unutilised tax losses	36,100	106,800
Unabsorbed capital allowances	224,167	245,900
	773,067	850,500

The estimated amount of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group 2011 RM	Group 2010 RM
Unabsorbed capital allowances	303,831	425,200
Unutilised tax losses	7,520,192	6,366,122
	7,824,023	6,791,322

There are no income tax consequences (2010: nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements. (Note 35)

19. INVENTORIES

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
At cost				
Raw materials	4,494,631	3,752,926	-	-
Work-in-progress	112,164	208,272	-	-
Consumable tools	166,131	180,995	-	-
Packaging materials	2,148,916	1,913,711	-	-
Merchandised goods	7,895,158	8,632,868	-	-
Finished goods	1,265,246	1,507,387	-	-
Sales aid items	668,260	581,232	-	-
Properties	4,327,488	-	-	-
	21,077,994	16,777,391	-	-
At net realisable value				
Consumable goods	420	480	420	480
	21,078,414	16,777,871	420	480

20. TRADE RECEIVABLES

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
External parties	7,378,643	7,498,736	119,641	104,747
Related parties	1,534,119	2,313,777	-	-
	8,912,762	9,812,513	119,641	104,747
Less: Allowance for impairment	(583,261)	(405,190)	-	(8,003)
	8,329,501	9,407,323	119,641	96,744

(a) Credit term of trade receivables

The Group's and the Company's normal trade credit term extended to customers ranges from 30 to 120 days and within 30 day respectively.

20. TRADE RECEIVABLES (cont'd)

(b) Ageing analysis of trade receivables (cont'd)

The ageing analysis of the Group's and the Company's trade receivables are as follows:

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Neither past due nor impaired	4,904,688	5,836,950	24,800	-
1 to 30 days past due not impaired	998,786	1,428,079	20,035	29,118
31 to 60 days past due not impaired	1,214,125	730,707	-	16,330
61 to 90 days past due not impaired	41,811	317,011	-	3,500
91 to 120 days past due not impaired	642,705	177,017	-	47,796
More than 121 days past due not impaired	483,823	837,112	74,806	-
	3,381,250	3,489,926	94,841	96,744
Impaired	626,824	485,637	-	8,003
	8,912,762	9,812,513	119,641	104,747

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM3,381,250 (2010: RM3,489,926) and RM94,841 (2010: RM96,744) respectively that are past due at the reporting date but not impaired.

No impairment loss on trade receivables has been made as, in the opinion of the management, the debts would be collected in full within the next twelve months.

Receivables that are impaired

The trade receivables that are impaired at the reporting date and the movement of allowance accounts used to record the impairment are as follows:

	Group		Company	
	Individually Impaired		Individually Impaired	
	2011	2010	2011	2010
	RM	RM	RM	RM
Trade receivables (nominal amounts)	626,824	485,637	-	8,003
Less: Allowance for impairment	(583,261)	(405,190)	-	(8,003)
	43,563	80,447	-	-

20. TRADE RECEIVABLES (cont'd)

(b) Ageing analysis of trade receivables (cont'd)

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements. The Group and the Company have no debtors that are collectively determined to be impaired at the reporting date.

Movement in allowance accounts:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
At 1 January	405,190	8,003	8,003	8,003
Charge for the year	178,348	394,077	-	-
Written off	(8,003)	-	(8,003)	-
Exchange difference	7,726	3,110	-	-
At 31 December	583,261	405,190	-	8,003

(c) The foreign currency exposure profile for trade receivables is as follows:

	Group	
	2011 RM	2010 RM
Singapore Dollars	1,880,436	-
Brunei Dollars	1,979	-
Thailand Baht	14,857	-
United States Dollars	2,327,410	248,900

(d) Further details on related parties transactions are disclosed in Note 39.

21. AMOUNT OWING BY SUBSIDIARY COMPANIES

This amount is non-trade in nature, unsecured, interest free and repayable on demand by cash.

22. AMOUNT OWING BY SUBSIDIARY COMPANIES

These amounts are non-trade in nature, unsecured, interest free, payable on demand and to be settled by cash except for amount owing by two subsidiaries companies totalling RM8,236,188 (2010: RM7,619,722) which bear interest at the rate of 3.75% (2010: 3.75%) per annum.

23. TAX ASSETS

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Tax paid in advance	921,126	557,806	-	87,400
Tax recoverable	1,220,997	1,471,459	824,831	557,801
	2,142,123	2,029,265	824,831	645,201

24. CASH AND BANK BALANCES

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Cash and bank balances	11,392,856	8,827,730	1,924,865	1,168,034
Cash deposits with licensed banks	4,750,379	7,096,112	-	-
	16,143,235	15,923,842	1,924,865	1,168,034

The cash deposits with licensed banks of the Group bear effective interest rate at 2.48% (2010 : 1.69% to 2.15%) per annum and mature within one year.

The foreign currency exposure profile is as follows:

	Group	
	2011	2010
	RM	RM
United States Dollars	827,901	1,879,600
Euro	12,304	-
Singapore Dollars	76,597	55,052
Brunei Dollars	207,200	745,898
Chinese Renminbi	-	21,665
Indian Rupee	705	780
Vietnamese Dollars	100	-
	1,124,807	2,702,995

25. NON-CURRENT ASSETS HELD FOR SALE

	Group/Company	
	2011 RM	2010 RM
Investment properties	1 ,165,000	-

The following are held under lease terms:

	Group/Company	
	2011 RM	2010 RM
Leasehold shophouse	900,000	-
Leasehold condominium	265,000	-
	1,165,000	-

These properties pledged as security for banking facilities of the Group. The Group is in the process of discharging the pledge on the properties.

These facilities are in the progress to be discharged.

During the year, the Company entered into a Sale and Purchase Agreement to dispose a 3-storey shophouse and one unit of condominium for a cash consideration of RM900,000 and RM265,000 respectively. The disposal of the investment properties will be completed in subsequent financial year.

26. SHARE CAPITAL

	Group/Company	
	2011 RM	2010 RM
Authorised:		
1,000,000,000 ordinary shares of RM0.10 each	100,000,000	100,000,000
Issued and fully paid:		
720,000,000 ordinary shares of RM0.10 each	72,000,000	72,000,000

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual interests.

27. TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The shareholders of the Company, by an ordinary resolution passed in a general meeting held on 16 June 2011, renewed their approval for the Company's plan to repurchase its own ordinary shares. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased a total of 200,000 (2010: 932,400) of its issued and fully paid-up ordinary shares from the open market at an average price of RM0.17 (2010: RM0.20) per share. The total consideration paid for the repurchased shares including transaction cost was RM33,088 (2010: RM189,276). The repurchased transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. Such treasury shares are held at a carrying amount of RM1,334,888 (2010: RM1,301,800).

The details of repurchase of treasury shares during the financial year are as follows:-

		Price per share			
Month	No. of shares repurchased	Highest	Lowest	Average	Total Consideration
		RM	RM	RM	RM
March 2011	100,000	0.185	0.180	0.182	18,371
September 2011	100,000	0.150	0.140	0.145	14,717
	200,000				33,088

		Price per share			
Month	No. of shares repurchased	Highest	Lowest	Average	Total Consideration
		RM	RM	RM	RM
March 2010	20,000	0.235	0.235	0.235	4,746
August 2010	372,400	0.205	0.205	0.205	76,900
September 2010	540,000	0.200	0.195	0.198	107,630
	932,400				189,276

There was no resale, cancellation or distribution of treasury shares during the financial year.

Of the total 720,000,000 (2010: 720,000,000) issued and fully paid ordinary shares as at 31 December 2011, 4,141,600 (2010: 3,841,600) ordinary shares are held as treasury shares by the Company. As at 31 December 2011, the number of outstanding ordinary shares in issue after the set off is therefore 715,858,400 (2010: 716,158,400) ordinary shares of RM0.10 each.

28. OTHER RESERVES

	Translation Reserve RM	Fair Value Adjustment Reserve RM	Total RM
Group			
At 1 January 2010	6 ,246	-	6,246
Effect of adopting FRS 139	-	(12,778)	(12,778)
Other comprehensive income:			
- Foreign currency translation	(8,851)	-	(8,851)
At 31 December 2010	(2,605)	(12,778)	(15,383)
At 1 January 2011	(2,605)	(12,778)	(15,383)
Effect of adopting FRS 139			
Other comprehensive income:			
- Foreign currency translation	(85,702)	-	(85,702)
At 31 December 2011	(88,307)	(12,778)	(101,085)

	Fair Value Adjustment Reserve RM
Company	
At 1 January 2010	32,725,393
Other comprehensive income:	
Fair value loss on available-for-sale financial assets	(9,690,996)
At 31 December 2010	23,034,397
At 1 January 2011	23,034,397
Fair value gain on available-for-sale financial assets	1,948,893
At 31 December 2011	24,983,290

(a) Translation Reserve

The 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 Group's presentation currency.

(b) Fair Value Adjustment Reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

29. FINANCE LEASE PAYABLES

	Group	
	2011	2010
	RM	RM
Gross instalment payments	25,200	2,345
Less: Future finance charges	(6,977)	(62)
Total present value of finance lease payables	18,223	2,283
Payable within one year		
Gross instalment payments	5,400	2,345
Less: Future finance charges	(2,649)	(62)
Present value of finance lease payables	2,751	2,283
Payable more than 1 year but not more than 2 years		
Gross instalment payments	5,400	-
Less: Future finance charges	(2,020)	-
Present value of finance lease payables	3,380	-
Payable more than 2 year but not more than 5 years		
Gross instalment payments	14,400	-
Less: Future finance charges	(2,308)	-
Present value of finance lease payables	12,092	-
Total present value of finance lease payables	18,223	2,283
Analysed as:-		
Due within 1 year	2,751	2,283
Due after 1 year	15,472	-
	18,223	2,283

The finance lease payables of the Group bear effective interest rates of 14.80% (2010: 9.37%) per annum.

30. TERM LOAN

	Group	
	2011	2010
	RM	RM
Secured		
Due within 1 year	29,397	28,396
Due after 1 year	57,471	85,821
	86,868	114,217

The term loan of a subsidiary company has not been fully drawn down and term loan interest is being charged at a rate of 6.80% to 7.10% (2010: 6.05% to 6.80%) per annum.

The term loan is secured as follows:-

(i) deed of assignment and private caveat on the property under construction being financed for the term loan; and

(ii) Joint and several guarantees by certain directors of the Company.

31. RETIREMENT BENEFITS

The movements in the net liabilities recognised in the statements of financial position are as follows:-

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Liability for defined benefit obligations at beginning of the year	14,777,982	14,996,842	11,818,520	8,356,975
Current service costs and interest	730,736	1,251,378	584,516	901,811
Transfer to subsidiary company	-	-	(602,710)	2,647,002
Amortisation of net gain	(25,596)	(197,645)	-	(87,268)
Settlement and curtailments gain	-	(1,272,593)	-	-
Liability for defined benefit obligations at end of the year (non-current)	15,483,122	14,777,982	11,800,326	11,818,520

The liabilities for defined benefit obligations recognised in the statements of financial position are analysed as follows:-

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Present value of unfunded obligations	13,991,957	12,785,635	10,988,273	7,816,784
Unrecognised net actuarial gain	1,491,165	1,992,347	812,053	4,001,736
	15,483,122	14,777,982	11,800,326	11,818,520

The expenses recognised in the statements of comprehensive income are analysed as follows:-

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Current service cost	-	594,849	-	481,677
Interest cost	743,218	656,529	584,516	420,134
Amortisation of net gain	(25,596)	(159,542)	-	(87,268)
Net actuarial gain recognised in the year	(12,482)	(38,103)	-	-
Settlement and curtailments gain	-	(1,272,593)	-	-
	705,140	(218,860)	584,516	814,543

31. RETIREMENT BENEFITS (cont'd)

Principal actuarial assumptions used at the reporting date are as follows:-

	Group/Company	
	2011	2010
	RM	RM
Discount rate	5.50%	6.00%
Expected rate of salary increases	3.00%	3.00%

32. TRADE PAYABLES

The normal trade credit term granted by the trade creditors to the Group ranges from 30 to 90 days.

The foreign currency exposure profile for trade payables is as follows:-

	Group	
	2011	2010
	RM	RM
Japanese Yen	539	-
Singapore Dollars	126,903	1,161
United States Dollars	520,474	392,990

33. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Advances from customers	962,871	38,292	-	-
Other payables	758,632	1,484,314	101,136	145,763
Deposits	3,040,924	3,443,050	236,279	130,600
Accruals	5,267,209	4,171,784	103,940	75,713
	10,029,636	9,137,440	441,335	352,076

Included in other payables of the Group are amounts owing to related parties amounting to RM137,932 (2010: RM87,794).

Further details on related parties transactions are disclosed in Note 39.

34. PROVISION FOR EMPLOYEES BENEFITS

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
At beginning of the year	150,403	249,577	89,748	36,615
Additions	218,648	148,249	36,098	89,748
Incurred	(148,249)	(247,423)	(89,748)	(36,615)
At end of the year	220,802	150,403	36,098	89,748

This is in respect of provision for short term accumulating compensated absences for Directors and employees of the Group and of the Company.

The provision is made based on the number of days of outstanding compensated absences of each Director and employee multiplied by their respective salary/wages as at year end.

35. DIVIDEND

	Group/Company	
	2011	2010
	RM	RM
Recognised during the year		
Interim dividend of RM0.008 per share less 25% tax based on 717,070,800 ordinary shares of RM0.10 each in respect of the financial year ended 31 December 2009	-	4,302,425
Interim dividend of RM0.0061 per share less 25% tax based on 716,058,400 ordinary shares of RM0.10 each in respect of the financial year ended 31 December 2010	3,275,946	-
Net dividend per share (sen)	0.46	0.61

Subsequent to the financial year end, the Company declared an interim dividend of RM0.004 per ordinary share less 25% tax based on 715,858,400 ordinary shares amounting to RM2,147,575 paid on 19 April 2012 in respect of the current financial year. The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2012.

36. ACQUISITIONS AND INCORPORATION OF SUBSIDIARY COMPANIES

On 21 July 2011, a subsidiary company, Exclusive Mark (M) Sdn. Bhd. subscribed for 70% equity interest in Top One-Biotech Co.Ltd., a company incorporated in Taiwan for a cash consideration of approximately RM1,050,000 (Taiwan Dollar ("TWD") 10,500,000).

On 31 October 2011, a subsidiary company, Exclusive Mark (M) Sdn. Bhd. acquired 100% equity interest in Bright Way Avenue Sdn. Bhd., a company incorporated in Malaysia for a total consideration of RM2.

On 15 November 2011, a subsidiary company, Symplesoft Sdn. Bhd. subscribed 60 ordinary shares of RM1 each representing 60% of the issued and fully paid-up share capital of Sierra Edge Sdn. Bhd., a company incorporated in Malaysia for a total consideration of RM60.

The fair values of the identifiable assets and liabilities acquired as at the date of acquisition were:-

	Fair value/Carrying amount	
	2011	2010
	RM	RM
Property, plant and equipment	41,623	-
Intangible assets	1,600	-
Inventories	2,040	-
Trade and other receivables	590,715	-
Cash and bank balances	1,707,480	-
	2,343,458	-
Redemable preference shares	(250,000)	-
Trade and other payables	(1,194,144)	-
	(1,444,144)	-
Net identifiable assets	899,314	-

Total cost of business combination

The total cost of the business combination is as follow:

	2011	2010
	RM	RM
Total cost of business combination	1,136,934	-
Less: Non-cash consideration	-	-
Consideration settled in cash	1,136,934	-
Less: Cash and cash equivalents of the subsidiary company acquired	(1,707,480)	-
Net cash inflow on acquisition	(570,546)	-

36. ACQUISITIONS AND INCORPORATION OF SUBSIDIARY COMPANIES (cont'd)

Goodwill arising on acquisition

	2011 RM	2010 RM
Fair value of net identifiable assets	899,314	-
Less: Non-controlling interest	(487,271)	-
Group's interest in fair value of net identifiable assets	412,043	-
Goodwill on acquisition	724,891	-
Cost of business combination	1,136,934	-

Impact of acquisition in Statement of Comprehensive Income

From the date of acquisition, Bright Way Avenue Sdn. Bhd. has contributed RM99,381 to the Group's profit for the year. If the combination had taken place at the beginning of the financial year, the Group's profit for the year would have been RM1,903,529 and revenue would have been RM127,401,285.

37. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Cash and bank balances (Note 24)	16,143,235	15,923,842	1,924,865	1,168,034
Highly liquid investments in unit trusts (Note 14)	21,845,442	24,161,975	-	1,000,000
	37,988,677	40,085,817	1,924,865	2,168,034

38. CAPITAL COMMITMENTS

	Group	
	2011 RM	2010 RM
In respect of capital expenditure approved and contracted for:-		
- Purchase of property, plant and equipment	242,373	142,619
- Acquisition of service apartment	35,774	35,774
- Acquisition of computer software	5,250	12,500
	283,397	190,893
In respect of capital expenditure approved and not contracted for:-		
- Purchase of property, plant and equipment	2,813,400	763,280

39. RELATED PARTIES TRANSACTIONS

(a) For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability to directly control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. The Group and the Company have related party relationships with their ultimate holding company, Directors, key management personnel and companies in which certain directors have substantial financial interest.

(b) Inter-company transactions with subsidiary companies are as follows:-

	Company	
	2011	2010
	RM	RM
Management fee revenue received and receivable	(4,809,759)	(4,960,000)
Dividend revenue (gross) received and receivable	(4,369,786)	(4,400,000)
Rental revenue received and receivables	(22,000)	-
Interest revenue received and receivable	(308,958)	(256,983)
Rental of premises paid and payable	182,520	182,520
Purchase of product and food	108,973	-
Information Communication Technologies shared charges paid and payable	169,476	-

(c) Related parties transactions are as follows:-

		Group	
		2011	2010
	Note	RM	RM
Transaction(s) with companies in which the Director(s) of the Company has/have substantial financial interests and is/are also director(s) is(are) as follows:-			
- Sales revenue		(882,451)	(803,228)
- Rental revenue		(267,800)	(305,175)
- Management fee	i	318,978	342,436
- Rental charge		84,000	84,000
- Research and development expenditure	ii	442,273	425,962
- Purchase of goods		662,565	296,680
- Purchase of properties		4,327,488	-
Transaction(s) with companies in which the Director(s) of the Company has/have substantial financial interests is(are) as follows:-			
- Patent and trademark fee	iii	256,361	270,725
- Sales revenue		(6,403,568)	(7,351,389)
- Purchase of goods		6,550	-

39. RELATED PARTIES TRANSACTIONS (cont'd)

(c) Related parties transactions are as follows:-

		Group	
		2011	2010
	Note	RM	RM
Transaction(s) with a company in which the Director(s) of the Company, is/are also director(s) is(are) as follows:-			
- Sales revenue		-	(185,184)
- Purchase of goods		126,131	-

Significant related parties transaction are as follows:

(i) the management fee charged was based on the terms and conditions stated in the agreement between parties concerned.
(ii) the research and development expenditure paid was based on the terms and conditions stated in the agreement between parties concerned.
(iii) the trademark and patent fee paid was based on the terms and conditions stated in the agreement between parties concerned.

Information regarding outstanding balances arising from related parties transactions as at 31 December 2011 are disclosed in Notes 17, 20 and 33.

(d) Compensation of key management personnel

Key management personnel includes personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any Director of the Group and of the Company.

The remuneration of the key management is as follows:

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Short term employees benefits	4,930,400	4,718,143	1,987,113	2,002,691
Post-employment benefits	1,227,011	369,916	803,170	1,097,005

40. OPERATING LEASE COMMITMENTS

The Group has entered into a commercial lease for its office premises. This lease has tenure of 2 years with a renewal option included in the contract. There are no restrictions placed upon the Group by entering into this lease.

Future minimum rental payable under the non-cancellable operating lease at the reporting date is as follows:

	Group	
	2011	2010
	RM	RM
Not later than one year	211,910	365,869
Later than one year but not later than five years	-	152,446
	211,910	518,315

41. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

Investment holding	Investment in shares and investment and renting out of properties
Manufacturing	Manufacturing, trading and packaging of consumer, health and personal care products
Marketing and trading	Sales and distribution of health care and consumer products, import and distribution of food ingredients and trading of properties
Food and beverages	Operation of food and beverages outlets

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated statement of comprehensive income. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

	Note	Investment Holding RM	Manufac- turing RM	Marketing & Trading RM	Food & Beverages RM	Adjustments & Elimination RM	Consolidated RM
2011							
Revenue							
External revenue		(400,140)	(16,189,112)	(106,854,579)	(3,138,321)	-	(126,582,152)
Inter segment revenue	a	(9,201,548)	(25,485,907)	(5,807,627)	(1,484,468)	41,979,550	-
Total revenue		(9,601,688)	(41,675,019)	(112,662,206)	(4,622,789)	41,979,550	(126,582,152)
Result							
Interest revenue		(321,545)	(126,895)	(61,891)	-	460,558	(49,773)
Dividend revenue		(4,369,786)	-	-	-	4,369,786	-
Change in fair value of investment properties		(185,000)	-	-	-	-	(185,000)
Depreciation and amortisation		57,841	1,904,217	2,022,036	244,056	444,555	4,672,705
Share of loss of associated companies		68,194	-	-	-	-	68,194
Other non-cash expenses	b	531,305	88,048	477,678	380,741	-	1,477,772
Segment profit/(loss)	c	4,958,691	1,225,276	7,571,191	(2,186,130)	(8,582,472)	2,986,556
Assets							
Investment in associated company		120,606	-	-	-	(82,781)	37,825
Additions to non-current assets	d	22,633	561,475	3,341,129	91,549	183,815	4,200,601
Segment assets	e	118,345,896	39,629,534	85,351,830	9,173,722	(116,531,314)	135,969,668
Segment liabilities	f	12,277,779	9,305,771	22,101,177	15,621,963	(28,529,061)	30,777,629

41. SEGMENT INFORMATION (cont'd)

	Note	Investment Holding RM	Manufac-turing RM	Marketing & Trading RM	Food & Beverages RM	Adjustments & Elimination RM	Consolidated RM
2010							
Revenue							
External revenue		(336,940)	(15,080,048)	(115,728,614)	(3,295,473)	-	(134,441,075)
Inter segment revenue	a	(9,479,980)	(25,205,126)	(6,017,437)	(1,525,471)	42,228,014	-
Total revenue		(9,816,920)	(40,285,174)	(121,746,051)	(4,820,944)	42,228,014	(134,441,075)
Result							
Interest revenue		(351,201)	(153,049)	(563,404)	(57,730)	485,338	(640,046)
Dividend revenue		(4,400,000)	-	-	-	4,400,000	-
Change in fair value of investment properties		(267,000)	-	-	-	-	(267,000)
Depreciation and amortisation		94,195	2,069,328	1,946,999	234,360	154,896	4,499,778
Share of loss of associated companies		14,587	-	-	-	-	14,587
Other non-cash expenses	b	905,292	72,473	902,751	93,632	-	1,974,148
Segment profit/(loss)	c	3,309,158	1,624,777	5,270,582	(4,958,423)	(1,766,179)	3,479,915
Assets							
Investment in associated company		18,000	-	-	-	(14,587)	3,413
Additions to non-current assets	d	276,804	166,202	3,310,463	504,348	(582,690)	3,675,127
Segment assets	e	115,646,167	36,569,677	90,986,752	4,677,871	(113,180,593)	134,699,874
Segment liabilities	f	12,260,344	7,224,617	28,175,021	9,345,682	(28,374,105)	28,631,559

(a) Inter-segment revenues are eliminated on consolidation.
(b) Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	2011 RM	2010 RM
Inventories written off	52,118	1,209,804
Retirement benefits expense	705,140	(218,860)
Bad debts written off	36,887	144,924
Impairment loss recognised on trade receivables	178,348	394,077
Provision for employee benefits	70,399	148,249
Property, plant and equipment written off	434,880	295,954
	1,477,772	1,974,148

41. SEGMENT INFORMATION (cont'd)

(c) The following items are added to/(deducted from) segment profit to arrive at profit before tax presented in the consolidated statement of comprehensive income:

	2011 RM	2010 RM
Share of results of associated company	(68,194)	(14,587)
Profit from inter-segment sales	(12,921,940)	(12,255,691)
Finance costs	460,558	485,338
Unallocated corporate expenses	9,709,806	12,635,356
Other operating revenue	(5,762,702)	(2,616,595)
	(8,582,472)	(1,766,179)

(d) Additions to non-current assets consist of:

	2011 RM	2010 RM
Property, plant and equipment	3,933,865	3,030,257
Intangible assets	266,736	644,870
	4 ,200,601	3,675,127

(e) The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2011 RM	2010 RM
Deferred tax assets	488,636	319,898
Inter-segment assets	(117,019,950)	(113,500,491)
	(116,531,314)	(113,180,593)

(f) The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2011 RM	2010 RM
Inter-segment liabilities	(28,529,061)	(28,374,105)

41. SEGMENT INFORMATION (cont'd)

Geographical Information

Revenue information based on the geographical location of customers is as follows:

	2011 RM	2010 RM
Malaysia	105,738,301	115,944,675
Brunei	8,041,898	6,987,717
Hong Kong	503,270	164,409
India	48,211	74,637
Singapore	6,482,017	6,688,648
Philipines	46,850	-
Indonesia	3,974,351	2,876,935
United States of America	1,158,949	1,254,655
China	422,280	225,831
Australia	86,426	215,032
Thailand	15,068	-
Cambodia	56,910	-
Others	7,621	8,536
	126,582,152	134,441,075

The following is the analysis of non-current assets other than financial instruments and deferred tax assets analysed by the Group's geographical segment.

	Malaysia RM	Singapore RM	Consolidated RM
2011			
Property, plant and equipment	44,358,786	143,521	44,502,307
Capital work-in-progress	1	-	1
Investment properties	8,400,000	-	8,400,000
Goodwill	724,891	-	724,891
Other intangible assets	2,777,216	-	2,777,216
Total non-current assets	56,260,894	143,521	56,404,415

41. SEGMENT INFORMATION (cont'd)

Geographical Information (cont'd)

	Malaysia	Singapore	Consolidated
	RM	RM	RM
2010			
Property, plant and equipment	45,271,638	158,675	45,430,313
Capital work-in-progress	1	-	1
Investment properties	9,380,000	-	9,380,000
Other intangible assets	2,937,838	-	2,937,838
Total non-current assets	57,589,477	158,675	57,748,152

42. SIGNIFICANT EVENTS

On 21 July 2011, a subsidiary company, Exclusive Mark (M) Sdn. Bhd. subscribed for 70% equity interest in Top One-Biotech Co.Ltd., a company incorporated in Taiwan for a cash consideration of approximately RM1,050,000 (Taiwan Dollar ("TWD") 10,500,000).

On 31 October 2011, a subsidiary company, Exclusive Mark (M) Sdn. Bhd. acquired 100% equity interest in Bright Way Avenue Sdn. Bhd., a company incorporated in Malaysia for a total consideration of RM2.

On 15 November 2011, a subsidiary company, Symplesoft Sdn. Bhd. subscribed 60 ordinary shares of RM1 each representing 60% of the issued and fully paid-up share capital of Sierra Edge Sdn. Bhd., a company incorporated in Malaysia for a total consideration of RM60.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Financial Controller, Head of Treasury and Head of Credit Control. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken. The Group and the Company do not apply hedge accounting.

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are discussed below.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk
At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile
The Group and the Company have no significant concentration of credit risk from its receivables.

Financial assets that are neither past due nor impaired
Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 20. Cash deposits with licensed banks and investments that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings with no history of default. At the reporting date, there was no indication that the dividend and interest receivables are not recoverable.

Financial assets that are past due but not impaired
Information regarding financial assets that are either past due or impaired is disclosed in Note 20.

Financial assets that are either past due or impaired
Information regarding financial assets that are either past due or impaired is disclosed in Note 20.

(b) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(b) Liquidity Risk (cont'd)

	On demand or Less than 1 year	Within 1-2 years	Within 2-5 years	Total contractual cash flows
Group	RM	RM	RM	RM
2011				
Financial liabilities:				
Trade payables	2,708,017	-	-	2,708,017
Other payables	10,029,636	-	-	10,029,636
Finance lease payables	2,751	3,380	12,092	18,223
Term loan	29,397	57,471	-	86,868
	12,769,801	60,851	12,092	12,842,744
2010				
Financial liabilities:				
Trade payables	2,145,394	-	-	2,145,394
Other payables	9,137,440	-	-	9,137,440
Finance lease payables	2,283	-	-	2,283
Term loan	28,396	30,163	55,658	114,217
	11,313,513	30,163	55,658	11,399,334
Company				
2011				
Financial liabilities:				
Other payables	441,355	-	-	441,355
Company				
2010				
Financial liabilities:				
Other payables	352,076	-	-	352,076

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Interest Rate Risk

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

The Group's and the Company's exposure to interest rate risk arises primarily from:

– Interest bearing financial assets
  Cash deposits are short term in nature and are not held for speculative purposes but are placed to satisfy conditions for banking facilities granted to the Group and for better yield returns than cash at banks.

The Group manages its interest rate yield by prudently placing deposits with varying maturity periods.

– Interest bearing financial liability
  The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and the nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

Sensitivity analysis for interest rate risk
At the reporting date, if the interest rates had been 10 basis points higher/lower, with all other variables held constant, the Group's profit net of tax would increase/decrease by RM23,845(2010: RM26,662) as a result of exposure to interest income from floating rate of other investments.

(d) Foreign Currency Risk

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

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Group entities, primarily RM. The foreign currencies in which these transactions are denominated are mainly in Singapore Dollar ("SGD") and United States Dollar ("USD").

The Group also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances (mainly in USD) amount to RM1,124,807 (2010: RM2,702,995).

The Group is also exposed to currency translation risk arising from its net investments in foreign operations. The Group's net investment in Singapore is not hedged as currency positions in SGD are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk
A 7% strengthening/weakening of the Malaysian Ringgit against United States Dollar and Singapore Dollar and all other variables held constant at the reporting date would increase/(decrease) the Group's profit for the year ended 31 December 2011 by RM127,072 and RM128,109 (2010: RM124,293 and RM nil).

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(e) Market Price Risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted unit trusts. The quoted equity instruments in Malaysia are listed on the Bursa Malaysia. These instruments are classified as held for trading. The Group does not have exposure to commodity price risk.

Sensitivity analysis for equity price risk
At the reporting date, if Bursa Malaysia KLCI had been 1% higher/lower, with all other variables held constant, the Group's profit net of tax would increase/decrease by RM218,454 (2010: RM241,620) as a result of increase/decrease in the fair value of investments in equity instrument classified as held for trading.

44. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the years ended 31 December 2011 and 31 December 2010.

The Group monitors capital using a gearing ratio, which is total debt divided by total capital. The Group's gearing ratio is shown as follow:-

	2011 RM	2010 RM
Total debt	105,091	116,500
Total equity	105,192,039	106,068,315
Debt to equity	0.10%	0.11%

The Group and the subsidiaries are not subject to any externally imposed capital requirements.

45. FAIR VALUE OF FINANCIAL INSTRUMENTS

The methods and assumptions used to estimate the fair values of the following classes of financial assets and financial liabilities are as follows:-

(i) Cash and Cash Equivalents, Trade and Other Receivables and Payables
The carrying amounts approximate fair values due to the relatively short term maturity of these financial assets and liabilities.

(ii) Staff Car Loan Receivables (non-current)
The fair value has been determined using discounted estimated cash flows. The discount rates used are the current market incremental lending rates for similar types of lending arrangements.

(iii) Borrowings
The fair value of fixed rate term loan is estimated using discounted cash flow analysis, based on current lending rates for similar types of lending and borrowing arrangements. The fair value of finance lease payables is estimated using discounted cash flow analysis, based on current borrowing.

(iv) Quoted Investments
The fair values of quoted shares are determined by reference to stock exchange quoted market bid prices at the close of the business on the reporting date.

The fair values of quoted unit trusts are determined by reference to the quoted market price on the reporting date as published in the national daily.

The carrying amounts of financial instruments recognised in the statements of financial position as at reporting date approximate their fair values except for the following:-

	Group		Company	
	Carrying Amount RM	**Fair Value RM**	**Carrying Amount RM**	**Fair Value RM**
2011				
Financial Assets				
Unquoted shares	2,000,000	*	-	-
Financial Liabilities				
Finance lease payables				
(non-current)	15,472	15,211	-	-
2010				
Financial Assets				
Staff car loan receivables				
(non-current)	65,886	59,312	-	-
Unquoted shares	2,500,000	*	-	-

* Investment in equity instruments carried at cost.

45. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

Fair value information has not been disclosed for the Group's investment in equity instruments that are carried at cost because the fair value cannot be measured reliably. These equity instruments represent shares in Gracious Holding Sdn. Bhd. that are not quoted on any market and do not have any comparable industry peer that is listed. The Group does not intend to dispose of this investment in the foreseeable future.

46. FAIR VALUE HIERARCHY

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 December 2011 and 2010, the Group and the Company held the following financial instruments carried at fair values on the statements of financial position:

2011	Carrying Amount RM	Level 1 RM	Level 2 RM	Level 3 RM
Group				
Held for trading investments				
- unit trusts	21,845,442	21,845,442	-	-
2010				
Group				
Held for trading investments				
- unit trusts	24,161,975	24,161,975	-	-
Company				
Held for trading investments				
- unit trusts	1,000,000	1,000,000	-	-

47. SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS AND LOSSES

The following analysis of realised and unrealised retained earnings of the Group and of the Company at 31 December 2011 and 31 December 2010 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The retained earnings of the Group and of the Company as at reporting date is analysed as follows:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Total retained earnings of the Company and its subsidiaries				
- realised	46,103,103	54,785,290	7,266,083	6,796,494
- unrealised	3,799,817	3,157,227	3,153,631	2,856,732
Total share of retained earnings from associated company				
- realised	(82,781)	(14,587)	-	-
Add/Less:				
Consolidation adjustments	(16,042,074)	(22,884,354)	-	-
Total retained earnings	33,778,065	35,043,576	10,419,714	9,653,226

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purpose.

LIST OF PROPERTIES

The properties held by the Group and the Company as at 31 December 2011 are as follows:

Location / Postal address	Description / existing use	Land area / built-up area (sq. feet)	Land Tenure (expiry date)	Approximate age (year)	Audited net book value as at 31.12.11 (RM'000)	Date of Acquisition/ last revaluation
Geran 215137 Lot 61741, Bandar Glenmarie, Daerah Petaling, Selangor Darul Ehsan Wisma CNI, No. 2, Jalan U1/17, Seksyen U1, Hicom-Glenmarie Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan	Commercial Buildings / Office cum factory	175,602 / 200,733	Freehold	15	30,923	1 Apr 1994 / -
Geran 205885 Lot 72203, Mukim Pulai Daerah Johor Bahru, Negeri Johor 72,Jalan Indah 1, Taman Bukit Indah, 81200 Skudai, Johor Bahru. Johor	Double storey shop house	1,650 / 3,300	Freehold	4	544	03 Jan 2011/ 31Dec 2011
Grant 57213 Lot 8302, Mukim 13, North East District, Penang No. 27A, 27B and 27C, Lintang Angsana, Bandar Baru Air Itam, 11500 Air Itam, Penang	Intermediate three storey shophouse / Renting out to third parties (being sold)	1,991 / 4,444	Leasehold – 99 years (30 May 2093)	20	900	10 Jul 2003/ 31 Dec 2011
HS(D) 100850, PT 576, Bandar Shah Alam, Petaling District, Selangor Darul Ehsan No. 1, Jalan Tengku Ampuan Zabedah F9/F, Seksyen 9, 40000 Shah Alam, Selangor Darul Ehsan.	Six storey corner shoplot cum office / Renting out to 3rd parties	2,252 / 12,865	Leasehold – 99 years (29 Aug 2094)	14	2600	4 Apr 1995/ 4 Jan 2011

LIST OF PROPERTIES

Location / Postal address	Description / existing use	Land area / built-up area (sq. feet)	Land Tenure (expiry date)	Approximate age (year)	Audited net book value as at 31.12.11 (RM'000)	Date of Acquisition/ last revaluation
HS(D) 100852, PT 578, Bandar Shah Alam, Petaling District, Selangor Darul Ehsan No. 3, Jalan Tengku Ampuan Zabedah F9/F, Seksyen 9, 40000 Shah Alam, Selangor Darul Ehsan	Six storey shoplot cum office / Renting out and occupied as store room	1,800 / 10,632	Leasehold – 99 years (29 Aug 2094)	14	2,000	4 Apr 1995/ 4 Jan 2011
PM 4240 Lot 34357, Bandar Ampang, Hulu Langat District, Selangor Darul Ehsan A15/1/1, A15/2/2, A15/3/3, A15/4/4 & A15/5/5, Jalan Ampang Utama 2/2, One Ampang Avenue, 68000 Ampang, Selangor Darul Ehsan	5-storey terrace shoplot/Renting out to third parties	1,865 / 9,163	Leasehold – 99 years (23 May 2089)	15	2,400	12 Jul 1993/ 31 Dec 2010
PN 11889/M1/7/210 LOT 733 Bandar Shah Alam Daerah Petaling Negeri Selangor No. A-6-13 Block A, Sri Alam Condominium, Jalan Kelab Golf 13/1, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan	Condominium storey No. 6 of Block A / Renting out to third parties (being sold)	Not applicable/ 1,231	Leasehold – 99 year (14 Feb 2091)	13	265	30 May 1995/ 31 Dec 2011
Country Lease No. 015585225, District of Kota Kinabalu, Locality of Kuala Menggatal, State of Sabah Lot No. 144, DBKK No. Q-6, Block Q, Alamesra Plaza Permai, Sulaman Coastal Highway, 88400 Kota Kinabalu, Sabah	3-storey shop cum office (corner) / Renting out to third parties	2,273/ 6,504	Leasehold – 99 years (31 Dec 2098)	5	1400	19 Jun 2008/ 30 Dec 2011

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"):-

1. Utilisation of Proceeds

During the financial year ended 31 December 2011, there were no proceeds received by the Company from any corporate proposals which required Securities Commission's approval.

2. Share Buy-Back

During the financial year, the Company bought back a total of 200,000 of its issued and fully paid ordinary shares of RM0.10 each ("CNI Shares") in the open market. The details of the CNI Shares bought back during the year are as follows:-

Monthly Breakdown 2011	No. of CNI Shares Bought Back	Price per CNI Share (RM)			Average Cost per CNI Share* (RM)	Total Cost* (RM)
		Highest	Lowest	Average		
March	100,000	0.185	0.180	0.182	0.184	18,371
September	100,000	0.150	0.140	0.145	0.147	14,717

* Inclusive of transaction cost

All the CNI Shares bought back are held as treasury shares in accordance with Section 67A of the Companies Act, 1965. As at 31 December 2011, a total of 4,041,600 CNI Shares bought back were held as treasury shares. None of the treasury shares held were resold or cancelled during the financial year.

3. Options, Warrants or Convertible Securities Exercised

There were no options, warrants or convertible securities issued by the Company or exercised during the financial year ended 31 December 2011.

4. American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme

During the financial year ended 31 December 2011, the Company did not sponsor any ADR or GDR programme.

5. Sanctions/Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiary companies, directors or management by the relevant regulatory bodies during the financial year.

6. Non-audit Fees

The amount of non-audit and other non-statutory audit fees incurred for the services rendered to the Company or its subsidiaries for the financial year ended 31 December 2011 amounted to not more than RM50,000 by the Company's auditors or a firm or a company affiliated to the auditors' firm.

7. Variation in Results

There is no material variance between the financial results in the Audited Financial Statements for the financial year ended 31 December 2011 and the unaudited financial results for the year ended 31 December 2011 announced by the Company on 29 February 2012.

8. Profit Guarantee

There was no profit guarantee given by the Company and its subsidiary companies during the financial year.

9. Material Contracts

Save as those described in Note 39 (c) to the Financial Statements on pages104 to 105 of this Annual Report, there were no material contracts entered into by the Company and its subsidiary companies involving the interest of directors and/or major shareholders, either subsisting at the financial year ended 31 December 2011 or entered into since the end of the previous financial year.

10. Contract Relating to Loan

There were no contracts relating to loans by the Company involving directors' and major shareholders' interest.

11. Recurrent Related Party Transactions of a Revenue or Trading Nature

At the Annual General Meeting held on 16 June 2011, the Company had obtained a mandate from its shareholders to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

The details of the recurrent related party transactions of a revenue or trading nature conducted during the financial year ended 31 December 2011 pursuant to the said shareholders' mandate are disclosed as follows:

Transacting Party	Company within our Group	Interested Related Parties	Amount Transacted during the financial year RM	Nature of transactions
CNI Corporation Sdn Bhd	CNI Enterprise (M) Sdn Bhd (CNIE)	Dato' Koh Peng Chor Tan Sia Swee	318,978	Provision of management services to CNIE
	CNIE	Chew Boon Swee Law Yang Ket Cheong Chin Tai Gan Chooi Yang	151,400	Rental of premises bearing postal address No. 2, Jalan U1/17, Hicom-Glenmarie Industrial Park, 40000 Shah Alam, Selangor paid/payable to CNIE
	Symplesoft Sdn Bhd (Symplesoft)		486,584	Provision of IT and e-commerce related services by Symplesoft
CNI Venture Sdn Bhd	Exclusive Mark (M) Sdn Bhd (EM)	Dato' Koh Peng Chor Tan Sia Swee	329,047	Provision of research, development and testing services to EM
	Q-Pack (M) Sdn Bhd (Q-Pack)	Chew Boon Swee Gan Chooi Yang	113,226	Provision of research, development and testing services to Q-Pack
	CNIE		116,400	Rental of premises bearing postal address No. 2, Jalan U1/17, Hicom-Glenmarie Industrial Park, 40000 Shah Alam, Selangor paid/payable to CNIE
	EM		2,152	Provision of laboratory test service by EM
	EM		120	Contract manufacturing customer of EM
	Q-Pack		1,689	Contract manufacturing customer of Q-Pack
Citra Nusa Insancemerlang Investment Company	EM	Dato' Koh Peng Chor Tan Sia Swee Chew Boon Swee Law Yang Ket Gan Chooi Yang	36,624	Patent fee paid by EM for licence to use and manufacture products
	Q-Pack		36,625	Patent fee paid by Q-Pack for licence to use and manufacture products
PC Marketing Sdn Bhd	Q-Pack	Dato' Koh Peng Chor Datin Chuah Tek Lan Koh How Loon	30,000	Rental of premises bearing postal address No. 11A & 11B Jalan 25/64, 40400 Shah Alam, Selangor paid/payable by Q-Pack
	EM		54,000	Rental of premises bearing postal address No. 11C, 13A, 13B and 13C Jalan 25/64, 40400 Shah Alam, Selangor paid/payable by EM

Transacting Party	Company within our Group	Interested Related Parties	Amount Transacted during the financial year RM	Nature of transactions
CNI IPHC	CNIE	Dato' Koh Peng Chor Tan Sia Swee Chew Boon Swee Cheong Chin Tai Law Yang Ket Gan Chooi Yang	183,112	Trademark fee paid by CNIE
CNI Hong Kong Limited	Creative Network International (S) Pte Ltd (CNIS)	Dato' Koh Peng Chor Tan Sia Swee Gan Chooi Yang	92,362	Sales of products to CNIS
CNI (China) Co., Ltd	EM CNIE EM	Dato' Koh Peng Chor Tan Sia Swee Chew Boon Swee Law Yang Ket Gan Chooi Yang	193,955 374,296 391,906	Supply of royal jelly powder and honey to EM Supply of bee's products to CNIE Purchase of goods from EM
Leader Regent Inc	EM CNIE	Dato' Koh Peng Chor Wong Siew Fong Gan Chooi Yang	3,309,377 3,432	Contract manufacturing customer of EM Purchase of goods from CNIE
Sepang Goldcoast Sdn Bhd	CNIE	Dato' Koh Peng Chor Gan Chooi Yang	126,131	Purchase of goods and services from CNIE
Fortune Venture Inc	CNIE EM Q-Pack CNIS CNIS	Dato' Koh Peng Chor Gan Chooi Yang	915,751 1,984,741 188,393 1,874 6,550	Purchase of goods from CNIE Purchase of goods from EM Purchase of goods from Q-Pack Purchase of goods from CNIS Sales of goods to CNIS
Golden Palm Tree Resort & Spa Sdn Bhd	CNIE Q-Pack	Gan Chooi Yang	18,000 25,200	Provision of hotels & related services to CNIE Purchase of goods from Q-Pack
Global Business Network Sdn Bhd	CNIE	Tan Sia Swee Wong Siew Fong	1,952	Purchase of goods from CNIE

ANALYSIS OF SHAREHOLDINGS
AS AT 26 APRIL 2012

Authorised Share Capital	:	RM100,000,000.00
Issued and Paid-Up Share Capital	:	RM72,000,000.00 comprising 720,000,000 ordinary shares of RM0.10 each
Class of Shares	:	Ordinary shares of RM0.10 each
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

	Shareholders				No. of Shares Held			
	Malaysian		Foreigner		Malaysian		Foreigner	
Size of shareholdings	No.	%	No.	%	No.	%	No.	%
Less than 100	234	2.47	5	0.05	8,024	(1)	190	(1)
100 - 1,000	3,362	35.42	266	2.80	1,817,406	0.25	158,460	0.02
1,001 – 10,000	3,754	39.55	109	1.15	11,701,314	1.63	276,980	0.04
10,001 – 100,000	1,455	15.33	15	0.16	54,132,939	7.56	644,700	0.09
100,001 – 35,792,919 (*)	281	2.96	9	0.09	259,128,106	36.20	24,464,158	3.42
35,792,920 and above (**)	1	0.01	-	-	363,526,123	50.78	-	-
Total	**9,087**	**95.74**	**404**	**4.26**	**690,313,912**	**96.43**(2)	**25,544,488**	**3.57**2)

Notes:
(*) Less than 5% of issued shares(2)
(**) 5% and above of issued shares(2)
(1) Less than 0.01%
(2) Excluding a total of 4,141,600 CNI Holdings Berhad ("CNI") shares bought-back by CNI and retained as treasury shares as at 26 April 2012.

DIRECTORS' DIRECT AND INDIRECT INTERESTS IN SHARES IN THE COMPANY BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS

	Direct Interests		Indirect Interests	
Name	No. of Shares Held	% of Issued Shares(5)	No. of Shares Held	% of Issued Shares(5)
Dato' Koh Peng Chor	2,490,240	0.35	371,583,483(1)	51.91
Cheong Chin Tai	660,000	0.09	-	-
Koh How Loon	1,679,180	0.23	369,171,643(2)	51.57
Tan Sia Swee	-	-	25,393,380(3)	3.55
Law Yang Ket	4,691,898	0.66	3,000,000(3)	0.42
Chew Boon Swee	1,128,614	0.16	-	-
Dr. Ch'ng Huck Khoon	1,000	(4)	-	-
Zulkifli bin Mohamad Razali	-	-	-	-
Lim Lean Eng	1,083,360	0.15	62,520(3)	0.01

Notes:
(1) Deemed interested by virtue of interests held through Marvellous Heights Sdn Bhd and PC Marketing Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 and interests held through spouse and/or child pursuant to Section 134(12)(c) of the Companies Act, 1965.
(2) Deemed interested by virtue of interests held through Marvellous Heights Sdn Bhd and PC Marketing Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
(3) Deemed interested by virtue of interests held through spouse pursuant to Section 134(12)(c) of the Companies Act, 1965.
(4) Less than 0.01%
(5) Excluding a total of 4,141,600 CNI shares bought-back by CNI and retained as treasury shares as at 26 April 2012.

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct Interests		Indirect Interests	
Name	No. of Shares Held	% of Issued Shares[4]	No. of Shares Held	% of Issued Shares[4]
Marvellous Heights Sdn Bhd	363,526,123	50.78	-	-
PC Marketing Sdn Bhd	5,645,520	0.79	363,526,123[1]	50.78
Dato' Koh Peng Chor	2,490,240	0.35	371,583,483[2]	51.91
Datin Chuah Tek Lan	1,167,200	0.16	372,906,523[2]	52.09
Koh How Loon	1,679,180	0.23	369,171,643[3]	51.57

Notes:
(1) Deemed interested by virtue of interests held through Marvellous Heights Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
(2) Deemed interested by virtue of interests held through Marvellous Heights Sdn Bhd and PC Marketing Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 and interests held through spouse and/or child pursuant to Section 134(12)(c) of the Companies Act, 1965.
(3) Deemed interested by virtue of interests held through Marvellous Heights Sdn Bhd and PC Marketing Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
(4) Excluding a total of 4,141,600 CNI shares bought-back by CNI and retained as treasury shares as at 26 April 2012.

TOP THIRTY SECURITIES ACCOUNT HOLDERS

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

	Name	No. of Shares Held	% of Issued Shares[1]
1.	Marvellous Heights Sdn Bhd	363,526,123	50.78
2.	Wong Siew Fong	25,393,380	3.55
3.	Gan Chooi Yang	15,612,826	2.18
4.	Tan Kim Choon	14,051,314	1.96
5.	Toh Siew Kee	12,424,054	1.74
6.	Heng Hoay Liang @ Heng Hoye Ee	11,550,000	1.61
7.	Choong Hon Ken	10,238,010	1.43
8.	Gan Ah Seng	9,745,139	1.36
9.	Ginawan Chondro	9,576,271	1.34
10.	Chew Boon Yeng	7,847,554	1.10
11.	Ch'ng Oon Tian	6,234,120	0.87
12.	Stephanus Abrian Natan	6,175,555	0.86
13.	Chan Sook Cheng	6,145,405	0.86
14.	Ong Teck Seng	5,717,000	0.80
15.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for PC Marketing Sdn Bhd (PB)	5,260,920	0.73
16.	Chong Yee Min	5,209,600	0.73
17.	Wong Siew Keow	5,146,767	0.72
18.	Choong Yiw	5,144,700	0.72
19.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Beh Hang Kong	5,051,412	0.71
20.	Lew Chin Kwee	4,939,800	0.69
21.	Law Yang Ket	4,691,898	0.66
22.	Choo Khim Keong	4,680,380	0.65
23.	MAYBANK Nominees (Asing) Sdn Bhd DBS Bank for Triton Capital Group Ltd	3,557,000	0.50
24.	Suharman Subianto	3,102,532	0.43
25.	Addeen Trading Sdn Bhd	3,016,600	0.42
26.	Yow Siew Lian	3,000,000	0.42
27.	ECML Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gan Choo Huat	2,500,000	0.35
28.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Koh Peng Chor (PB)	2,490,240	0.35
29.	Cheong Chee Kee	2,463,666	0.34
30.	Koh Tiah Siew	2,295,857	0.32
	Total	566,788,123	79.18

Note:
(1) Excluding a total of 4,141,600 CNI shares bought-back by CNI and retained as treasury shares as at 26 April 2012.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Third Annual General Meeting (23rd AGM) of CNI Holdings Berhad (the Company) will be held at Diamond Hall, First Floor, Wisma CNI, 2 Jalan U1/17, Seksyen U1, Hicom-Glenmarie Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan on Thursday, 21 June 2012 at 11.00 a.m., for the purpose of transacting the following business:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2011 together with the Reports of the Directors and Auditors thereon. (Please refer Note 1)	
2. To re-elect the following Directors who retire by rotation in accordance with Article 91 of the Company's Articles of Association and who being eligible offer themselves for re-election:	
i) Tan Sia Swee	**Resolution 1**
ii) Cheong Chin Tai	**Resolution 2**
iii) Zulkifli Bin Mohamad Razali	**Resolution 3**
3. To re-elect Koh How Loon, Director who retires in accordance with Article 96 of the Company's Articles of Association and who being eligible offers himself for re-election.	**Resolution 4**
4. To approve the payment of Directors' fees amounting to RM108,000 for the financial year ended 31 December 2011.	**Resolution 5**
5. To approve the increase in Directors' fees up to RM384,000 for the financial year ending 31 December 2012 and for each financial year thereafter.	**Resolution 6**
6. To re-appoint Messrs Moore Stephens AC as Auditors of the Company and to authorise the Directors to fix their remuneration.	**Resolution 7**

AS SPECIAL BUSINESS:
To consider and, if thought fit, to pass with or without modifications, the following resolutions:

7. **AUTHORITY FOR DIRECTORS TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** — **Ordinary Resolution 1**

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue and allot 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 issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad."

8. **PROPOSED RENEWAL OF SHAREHOLDER MANDATE AND NEW SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** — **Ordinary Resolution 2**

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or major shareholder, as specific in Section 2.1.2 (a) & (b) of the Circular to Shareholders dated 25 May 2012 subject to the following:-

i) the transactions are of a revenue or trading in nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries and are transacted on terms consistent or comparable with market or normal trade practices and/or based on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and

ii) disclosure is made in the annual report of the aggregate value of transactions conducted during the financial year pursuant to the shareholders' mandate in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

THAT the mandate given by the shareholders of the Company shall only continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company or the expiry of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever is the earlier.

AND THAT the Directors of the Company be authorised to complete and do such acts and things as they may consider expedient or necessary to give full effect to the shareholders' mandate."

9. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY** — **Ordinary Resolution 3**

"THAT subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of RM0.10 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share Buy-Back") provided that:-

i) the aggregate number of shares which may be purchased shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities;

ii) the maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the sum of Retained Earnings and the Share Premium Account (if any), of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy-Back. As at 31 December 2011, the audited Retained Earnings of the Company was RM10,419,714; and

iii) the shares purchased by the Company pursuant to the Proposed Share Buy-Back may be dealt with by the Directors in all or any of the following manner:-

   a) the shares so purchased may be cancelled; and/or
   b) the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or
   c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

AND THAT such authority shall commence upon the passing of this resolution, until the conclusion of the next Annual General Meeting ("AGM") of the Company or the expiry of the period within which the next AGM is required by law to be held unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever occurs first, but so as not to prejudice the completion of a purchase made before such expiry date.

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Securities and all other relevant governmental/regulatory authorities."

10. **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY** — **Special Resolution**

"THAT the deletions, alterations, modifications, variations and additions to the Articles of Association of the Company as set out in Part C of the Circular/Statement to Shareholders dated 25 May 2012 be and are hereby approved."

BY ORDER OF THE BOARD

CHIN YOKE KWAI (MAICSA 7032000)
Company Secretary

Shah Alam
25 May 2012

NOTES:

1. *This Agenda item is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 ("the Act") does not require a formal approval of the shareholders and hence, is not put forward for voting.*
2. *A member entitled to attend and vote at the 23rd AGM is entitled to appoint up to two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.*
3. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*
4. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds which is credited with ordinary shares of the Company.*
5. *The instrument appointing a proxy or proxies must be under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or the hand of the attorney duly authorised.*
6. *The instrument appointing a proxy must be deposited at the Company's Registered Office, Wisma CNI, 2 Jalan U1/17, Seksyen U1, Hicom-Glenmarie Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan, not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.*
7. *For the purpose of determining a member who shall be entitled to attend this 23rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 49(b) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a Record of Depositors as at 14 June 2012. Only a depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting or appoint proxy to attend and vote on his/her stead.*

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. Ordinary Resolution 1, if passed, will empower the Directors to issue shares in the Company up to an amount not exceeding in total 10% of the Company's issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interests of the Company. This mandate is a renewal of the last mandate granted to the Directors at the 22nd AGM held on 16 June 2011 and which will lapse at the conclusion of the 23rd AGM.

   As at the date of this notice, no new shares in the Company were issued pursuant to the last mandate

   The renewal of this mandate will provide flexibility to the Company for any possible fund raising exercises, including but not limited to further placing of shares, for purpose of funding future investment, working capital and/or acquisitions.

2. Ordinary Resolution 2, if passed, will enable the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations.

3. Ordinary Resolution 3, if passed, will empower the Directors to purchase the Company's shares of up to a maximum of 10% of the issued and paid-up share capital of the Company.

4. Special Resolution, if passed, will render the Articles of Association of the Company to be in line with the amendments to the Main Market Listing Requirements of Bursa Securities and to enhance administrative efficiency.

   Further information on the Proposed Renewal of Shareholder Mandate and New Shareholder Mandate for Recurrent Related Party Transactions, Proposed Renewal of Share Buy-Back Authority and Proposed Amendments to the Articles of Association of the Company is included in the Circular/ Statement to Shareholders dated 25 May 2012, which is despatched together with the Abridged Annual Report 2011.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

Details of individual who are standing for election as Directors.

No individual is seeking election as a Director at the 23rd AGM of the Company.

DISTRIBUTION CENTRES/ SALES POINTS/ E-SALES POINTS

	Distribution Centres/ Sales Points/ e-Sales Points (DC, SP & eSP)	Address	Tel	Fax
PERLIS				
DC	Arau DC	95, Lot 342, Jln Jelawi Sematang, Tmn Muhibbah Fasa 2 Jejawi 02600 Arau.	94-9771288/019-4100355	04-9771289
SP	Padang Besar SP	518, Jln Sekolah Rendah Kebangsaan, 02100 Padang Besar.	04-9490554	04-9492554
KEDAH				
RC	Alor Star RC	Lot 46, Ground Flr, Kompleks Perniagaan Sultan Abdul Hamid, Persiaran Sultan Abdul Hamid 3, 05050 Alor Setar.	04-7720918/013-4389897	04-7720918
DC	Kulim DC	70, Tkt 1, Lrg Semarak 3, Tmn Semarak 09000 Kulim.	04-4951564	04-4951828
	Langkawi DC Cni	87, Persiaran Mutiara Pusat Dagangan Kelana Mas, 07000 Langkawi.	04-9672460	04-9663460 04-4428897
	Sungai Petani DC	Wisma Zainal Yusoff 7 Lengkok Cempaka, Persiaran Cempaka, Amanjaya 08000 Sg Petani.	04-4419897/012-9871175/ 013-9339897	04-9246923
	Changlon DC	5, Pekan Changlon 2, 06010 Changlon.	04-9246923/012-4932758/ 019-4442758	
eSP	Baling	No H6 Tkt 1, Pekan Baru Baling 09100 Baling.	013-4239606 espbaling@mycni.com.my	
	Padang Serai	385, Lrg Kenangan 4/9, Tmn Kenangan, Sg Karangan, 09410 Padang Serai.	04-4855513/019-4434003	
	Kuala Nerang	Tingkat 2 (3), Kompleks Angsana, Pekan Kuala Nerang, 06300 Kuala Nerang.	017-5608371 espkualanerang@mycni.com.my	
	Mukim Lepai	A-159 Jln Aman 4, 4/4 Taman, Aman Anak Bukit, 05150 Alor Setar.	019-6370670 espmukimlepai@mycni.com.my	
	Jln Kodiang Tunjang	OSH Utara No 11 Aked MDKP, Jln Kodiang Tunjang, 06000 Jitra.	04-9291420/019-4183993 esptunjang@mycni.com.my	
	Jitra	3B, Jln Satu, Pekan Jitra 2, 06000 Jitra.	04-9178771/012-4467368 espjitra@mycni.com.my	
	Gedong	No:5 (Tingkat Atas) Jln Seri Gedong 1, Tmn Seri Gedong 08000 Sg Petani.	04-4252125 / 016-7582125 espgedong@mycni.com.my	
	Kuah	39, Pekan Lama (Sebelah Mat Sirat Supermarket), Padang Mat Sirat, Kuah 07000 Langkawi.	019-5598337/019-4499507 esplangkawi@mycni.com.my	
SP	Pendang SP	No 4, Bangunan Orkid, 06700 Pendang.	019-5119897/013-4239897	
P. PINANG				
RC	Perai RC	30, Jln Perai Jaya 2, Bdr Perai Jaya, 13600 Perai, Butterworth.	04-3986050	04-3984050 04-2271092
	Perak Road RC Cni	175, Perak Road, 10150 Penang.	04-2271092	
eSP	Permatang Pauh	19, Lrg Cermai 3, Tmn Sama Gagah, 13500 Permatang Pauh, Butterworth.	04-3906418/012-4286418 esppermatangpauh@mycni.com.my	04-3902471
	Bayan Lepas	119, Jln Tun Dr Awang, Sg Nibong Kecil, Bukit Jambul, 11900 Bayan Lepas.	04-6449637/019-5657126 espbukitjambul@mycni.com.my	04-6449637
	Machang Bubok	1586 Jln Kulim, Tmn Machang Manis, Machang Bubok 14020 Bukit Mertajam.	04-5516126/012-4838353	
	Nibong Tebal	7, Jalan Nuri 14300 Nibong Tebal, Penang.	012-4283689 espnibongtebal@mycni.com.my	
PERAK				
DC	Tg Malim DC Cni	No 1, Jln U1, Tmn Universiti, 35900 Tg Malim.	05-4590029/4597469 (R)/012-5386669	05-4590029
	Ipoh DC Cni	14, Jln Ghazali Jawi, 31400 Ipoh (In front of stadium).	05-5460393/012-5069339	05-5476032
	Taiping DC	17, Jln Wayang Gambar, 34000 Taiping.	05-8070981/012-5072686	05-8070981
	Teluk Intan DC Cni	Lot 12650, 1st Flr, Jln Changkat Jong, 36000 Teluk Intan.	05-6217795	05-6217795
	Kampar DC	S-23 Tmn Kampar, 31900 Kampar.	05-4664502	05-4664502
	Sitiawan DC Cni	23, Tmn Sentosa, Jln Lumut, 32300 Sitiawan.	05-6911171	05-6911171
	Jalan Gopeng DC	17A, Medan Lagenda 1, Medan Lapangan Lagenda, 31350 Jln Gopeng, Ipoh.	05-3111450/019-3262542	05-3111450
	Bercham DC	13, Persiaran Medan Bercham 4, Pst Bdr Baru Bercham, 31400 Ipoh.	05-5363691/012-5386669	05-5363597
eSP	Ayer Tawar	No 1 Taman Ayer Tawar 2, Ayer Tawar 32400.	05-6721366/016-410 9629 espayertawar@mycni.com.my	
	Tapah	No 13 Pusat Perniagaan Jln Bidor 35000 Tapah.	019-5788337/012-5112337 esptapah@mycni.com.my	
	Hutan Melintang	No 7, 1st Flr, Jln Utama Pusat Perdagangan Jenderata, Hutan Melintang 36400.	016-4424532 esphutanmelintang@mycni.com.my	
	Kemunting	No 24 Jln Sepat, Taman Kamunting Perdana, 34600 Kemunting.	05-8830131/019-4570559 espkemunting@mycni.com.my	
	Kuala Kangsar	No 8 Ruang Pejabat, Majlis Perbandaran Kuala Kangsar, Tingkat Atas Perhentian Bas Kuala Kangsar, Jln Bendahara 33000 Kuala Kangsar	019-2405893 espkuala@mycni.com.my	
	Sungai Siput	No 9 Tmn Orkid, 31100 Sungai Siput (u).	012-5845360/016-5001956 espsiput@mycni.com.my	

DISTRIBUTION CENTRES/ SALES POINTS/ E-SALES POINTS

	Distribution Centres/ Sales Points/ e-Sales Points (DC, SP & eSP)	Address	Tel	Fax
PERAK				
eSP	Batu Gajah	No 93A PSN Pinggiran Saujana Taman Pinggiran Saujana 31000 Batu Gajah.	014-3485716 espbatugajah@mycni.com.my	
	Pantai Remis	No 1A, Tkt Atas Jln Besar Taman Desa Dua, 34900 Pantai Remis.	05 – 6775107 / 016- 7709629 esppantai@mycni.com.my	
SP	Lahat SP	3, Persiaran Pinjil Selatan 8, Desa Pelancongan, 31500 Lahat.	012-3783185	
SELANGOR				
RC	Puchong RC	IOI Boulevard F.G.18, Jalan Kenari 5, Bandar Puchong Jaya, 47170, Puchong.	03-80768868	03-80768827
DC	Klang DC	9, Wisma Ching Eu Boon, Lrg Gudang Nanas 2, Jln Pasar, 41400 Klang.	03-33439897/33433416/019-3209897	03-33433416
	Seri Kembangan DC Cni	13, Jln PSK1, Pusat Perdagangan Seri Kembangan, 43300 Seri Kembangan.	03-89435480/89435481/012-2915007/ 012-6130643	03-89435481
	Rawang DC	No B-5, Jln Rawang Mutiara 2, Rawang Mutiara Business Centre, 48000 Rawang.	03-60928461	03-60928525
	Ampang DC Cni	1-12, Jln Dagang B/3A, Tmn Dagang 68000 Ampang.	03-42701897	03-42706279
	Subang Jaya DC	12A, Jln USJ 21/6, 47600 UEP Subang Jaya.	03-80237872	03-80259637
	Batu Caves DC Cni	573, Jln Samudera Utara 1 Tmn Samudera, 68100 Batu Caves.	03-61841897	03-61842897
	Semenyih DC Cni	92A, Jln 1/2 Seksyen 1, Bdr Teknologi Kajang, Off Jln Semenyih, 43500 Semenyih.	03-87233897/012-3039897 FJ9897@gmail.com	03-87234897
	Petaling Jaya DC	53A, Jln SS3/29 Tmn Universiti, 47300 Petaling Jaya.	03-78739897	03-78739897
eSP	Bayu Perdana	No D-G-3A, Jln Batu Unjur 9, Bayu Villa Apartment, Tmn Bayu Perdana, 41200 Klang.	03-33237581/016-2089897 espbayuperdana@mycni.com.my	
	Bandar Baru Bangi Cni	No. 43A-1-1B, 1st Floor Blok F, Pusat Bdr Baru Bangi, 43650 Bdr Baru Bangi.	03-89263540/019-3212827/ 019-3514041 espbangi@mycni.com.my	03-89263540
	Balakong Cni	No-41-1, Jln PDR 6, Kaw Perusahaan Desa Ria, 43300 Balakong.	03-89618673/019-2334303 espbalakong@mycni.com.my	
	Taman Dato' Harun	4, Jln 13, Tmn Dato' Harun, 46000 PJ.	03-77841859/016-3133466 esptamandatoharun@mycni.com.my	
	Pelabuhan Klang	Blk F 117-B, Tingkat 1 Tmn Kem, Jln Kem, 42000 Pelabuhan Klang.	03-31682466/016-2800767 espportklang@mycni.com.my	03-31683505
	Banting	161, Jln Sultan Abdul Samad, 42700 Banting.	03-31872333/012-3027433 espbanting@mycni.com.my	
	Batang Kali	No 8 Jalan Mahagong 1A/5 Tamu Hill Park, 44300 Batang Kali, Selangor.	012-2811324/012-3043401 espbatangkali@mycni.com.my	
	Dengkil	No 21A Jalan Deluxe, Pusat Perdagangan Deluxe, 43800 Dengkil.	017-2462316 espdengkil@mycni.com.my	
	Labuhan Dagang	Lorong Satu, Hadapan Dewan Wanita, Kampung Labuhan Dagang 42700.	012-3676284/012-3598978 esplabuhandagang@mycni.com.my	
	Bdr Puncak Alam	No 15, Lrg Mahkota Impian 2/33, Bdr. Puncak Alam 42300 Kuala Selangor.	012- 2726040/019- 4109891 esppuncakalam@mycni.com.my	
	Bdr Mahkota Cheras	No 21, Jalan Dayang 38/8, Bt 9 Bdr Mahkota Cheras 43200 Cheras.	016-2205007 espmahkota@mycni.com.my	03-78463407
	Kapar	No 44, Jln Hamzah Alang 8, Taman Ria 4 42200 Kapar.	014-3638309 /019-3036679 espkapar@mycni.com.my	
	Kuang	Lot 2336, Batu 18 ¼,, Kg Setia Kuang, 48050 Rawang.	012-9911838/017-2079897 espkuang@mycni.com.my	
	Tanjong Karang	No 5, Aras Satu Bangunan Tabung Haji, 45500 Tanjong Karang.	03-32690940/019-6466531 esptgkarang@mycni.com.my	
	Kajang	No 2, Jln 1, Pusat Hentian Kajang, Jln Reko, 43000 Kajang.	010-8915086 /017-8709653 espkajang@mycni.com.my	
	Kg. Melayu Subang	Lot 3674-Z, Kg Melayu Subang, 40000 Shah Alam.	03-78463407/019-2298942 espkampungsubang@mycni.com.my	
	Meru	No. 38, Jln Meranti Putih 4, Tmn Meru Permai 2, 41050 Meru, Klang	012-2013490 espmeru@mycni.com.my	
	Rinching	No 16 Jln 5/30, Seksyen 5 Bdr Rinching, 3500 Semenyih.	012-9324975 esprinching@mycni.com.my	
	Rawang	37A Jln Desa 1/1, Bdr Country Homes 48000 Rawang.	03-60870127/012-6773123 esprawang@mycni.com.my	
	Teluk Panglima Garang SP	Lot 2323, Lrg Aman Kg Sijangkang, 42500 Teluk Panglima Garang.	03-31227021/016-3552162	03-33931686

DISTRIBUTION CENTRES/ SALES POINTS/ E-SALES POINTS

	Distribution Centres/ Sales Points/ e-Sales Points (DC, SP & eSP)	Address	Tel	Fax
W. PERSEKUTUAN				
DC	Setapak DC	211 A, Jln Genting Klang, 53300 Setapak.	03-40245133	03-40239195
	Cheras DC	54-A, Jln Serkut, Tmn Pertama, Cheras 56100.	03-92877190	03-92877190
eSP	Bdr Baru Sentul	TB 08 Pusat Komuniti Dan Perniagaan Bandar Baru Sentul 51000 KL.	013-3489070 espsentul2@mycni.com.my	
	OUG	57A Jalan Hujan Emas 8, Overseas Union Garden, 58200 Kuala Lumpur.	03-79811850/012-2818478 espoug@mycni.com.my	
	Putrajaya	D-T03-U08 Blok D, Presint II 62300 Putrajaya.	013-2944337 espputrajaya@mycni.com.my	
	Jln San Peng	No 3A, Komplex Sri Selangor, Jln San Peng, 55200 KL.	013-5113616/012-6524103 espsanpeng@mycni.com.my	
SP	Datok Keramat SP	2, Lrg Keramat Dalam 2, Dato Keramat 54200.	03-42561469/013-3488720	
	Taman Seri Rampai SP	No. 7, Jln 20/26, Tmn Seri Rampai, 53300 KL.	03-40232122/012-3457337	
N. SEMBILAN				
DC	Seremban DC	656, Jln Haruan 4/10 Pusat Komersial Oakland, 70300 Seremban.	06-6338337/019-6500588/ 06-7629361 (R)	06-6339337
	Tampin DC	No.1052, Tkt Atas, Jln Perhentian Bas, Pulau Sebang, 73000 Tampin.	06-4415128	06-4415128
	Nilai DC	PT 7165, Jln BBN 1/1A, Putra Point Phase 1, Bandar Baru Nilai 71800. No. PT 4509, Jln Puteri 17, Tmn Desa Puteri, 72100 Bahau.	06-8500130	06-8500138
eSP	Bahau	131-2, Jln Tmn Kormesil Senawang 1, Tmn Kormesil Senawang, 70450 Seremban.	06-4540846/019-9463956 espbahau@mycni.com.my	
	Senawang	No 367 Jln Desa Rusa 4, Tmn Desa Rusa,	06-6788519/012-3141140 espsenawang@mycni.com.my	
	Port Dickson	Bt 4 Jln Pantai, 71050 Port Dickson.	016-6632765 espdesarusa@mycni.com.my	
	Tmn Tengku Puan Chik	4075 Tingkat Atas, Tmn Tengku Puan Chik, 72100 Bahau.	013-6084159 espjempol@mycni.com.my	
	Mantin	221 Lorong 3, Taman Andalas, 71700 Mantin.	06-7582442/016-579 8979 espmantin@mycni.com.my	
	Senawang Jaya	No 337, Jln Berlian, Tmn Senawang Jaya, 70450 Senawang.	013-3030276/06-6778018 espsenawangjaya@mycni.com.my	
MELAKA				
DC	Batu Berendam DC	11, Jln BBP 1 Tmn Berendam Putra 75350 Batu Berendam.	06-3369349/019-6555313/ 013-6189897	06-3350067
	Kota Laksamana DC	57-A, Jln Kota Laksamana 1/2, Tmn Kota Laksamana, 75200 Kota Laksamana.	06-2837617	06-2827723
eSP	Bukit Katil	2M, Jln Puyuh 4, Taman Tun Rahaa, 75450 Bukit Katil.	016-6321674/017-6055040 espbktkatil@mycni.com.my	
	Tiang Dua	No 3 Gerai MBMB, Pekan Tiang Dua 75460.	013-6614098/01115284098 espmerlimau@mycni.com.my	
SP	Masjid Tanah SP	No 2681, Jalan BBMT 4, Taman Bandar Baru, 78300 Masjid Tanah.	06-3841080 / 013-6191208	
	Pernu SP	590-1, Km 12 Kg Pemu, Pemu 75460.	06-2610012/012-6764096	06-3517809
	Paya Rumput SP	No. 22, Jln IKS PR2 IKS Paya Rumput, 76450 Paya Rumput.	06-3162001/013-6257842	06-2610012
	Jasin SP	JB 2325-1A, Bdr Baru Jasin 3, 77000 Jasin Bandaraya.	019-6534599 myCNI@hotmail.com	

DISTRIBUTION CENTRES/ SALES POINTS/ E-SALES POINTS

	Distribution Centres/ Sales Points/ e-Sales Points (DC, SP & eSP)	Address	Tel	Fax
JOHOR				
DC	Taman Bukit Indah DC	72, Jln Indah Satu, Tmn Bukit Indah, 81200 Johor Bahru.	07-2325217	07-2325217
	Kulai DC	14, Tkt 1, Jln Raya, Kulai Besar 81000 Kulai.	07-6633467	07-6636467
	Taman Sentosa DC	277, Jln Sutera, Tmn Sentosa 80150 Johor Bahru.	07-3338995/016-7338995/012-7172937	07-3343862
	Taman Molek DC	7, Jln Molek 2/5 Tmn Molek, 81100 Johor Bahru.	07-3524731	07-3543466
	Muar DC	No. 3, Tmn Seri Gemilang, Jln Salleh, 84000 Muar.	06-9526590/019-6556563	06-9545191
	Kluang DC	No 36, Jln Cengkih, Tmn Makmur, 86000 Kluang.	07-7710242	07-7710242
eSP	Tmn Kota Masai	12A, Jln Tembikai 10, Tmn Kota Masai, 81700 Pasir Gudang.	07-2518634/011-19161170	
	Pontian	No 16, Tingkat Bawah, Tmn Sri Aman 82000, Pontian.	019-723 9897 esppontian@mycni.com.my	
	Felda Linggiu	497, Blk 21, Jln Limau 1, Felda Linggiu, Kota Tinggi 81900.	017-7070025/ 019-7241935 esplinggiu@mycni.com.my	
	Masai	19, Jln Bayan 31/1, Tmn Megah Ria, Masai, 81750 Johor Bahru.	07-3879468/013-7039468 espmasai@mycni.com.my	
	Yong Peng	No 3, Jln Api-Api Tmn Suria, 83700 Yong Peng.	07-4675089/019-7149165 espypeng@mycni.com.my	
	Batu Pahat	90 Jln Setia Jaya 16, Tmn Setia Jaya, 83000 Batu Pahat.	019-6556563 esptmnsetiajaya@mycni.com.my	
	Muar	No. 7 Arked BN PGA, 84200 Bakri Muar.	019-6950919 / 019-2789733 espbakri@mycni.com.my	
SP	Kota Tinggi SP	No. 23-A, Jln Kolam Air, Tmn Medan Indah, 81900 Kota Tinggi.	07-8832051/016-7572046/017-7319897 cnikotatinggi@gmail.com	07-8832051
	Tangkak SP	23 Kampunng Baru Satu, 84900 Tangkak.	06-97820258/012-2317321	
	Tampoi SP	No. 40, Jln Padi, Bdr Baru Uda, 81200 Tampoi.	07-2357221/016-7177221 milza_2121@yahoo.com.my	07-2357221
	Skudai SP	No. 18A, Jln Kebudayaan 1A, Tmn Universiti, 81300 Skudai.	07-5215620/013-7305335/019-7173515 myCNI@hotmail.com	
KELANTAN				
DC	Kota Bharu DC	PT397 Tingkat Bawah, Jln Dusun Raja, Sri Cemerlang15400 Kota Bharu.	09-7433625/019-9809897	09-7477433 09-9758300
	Machang DC	Lot 3117 Kweng Hitam, Jln Besar, 18500 Machang.	09-9758200	
eSP	Pasir Mas	W2/458, Jln Hospital, 17000 Pasir Mas.	019-9184408/017-9096213 esppasirmas@mycni.com.my	
	Bukit Bunga	No. PT 1997/E, Bdr Baru Bukit Bunga, 17500 Tanah Merah.	013-9339847/019-9579897 esptanahmerah@mycni.com.my	
	Laloh	RPT Chuchoh Puteri B, 18000 Kuala Krai.	09-9604332/013-2913847 esplaloh@mycni.com.my	
	Kuala Krai	Cabang Tiga Bukit Sireh, 18000 Kuala Krai.	09-7643978/019-9340833 espkualakrai@mycni.com.my	
	Kota Bharu	Lot 923-B Jln Hospital Kg Pauh Panji, 15200 Kota Bharu.	013-9213293 esppanji@mycni.com.my	
SP	Tumpat SP	No. 61, Jln Puteri Sa'dong, 16250 Wakaf Baru Tumpat.	019-9826533	
	Pasir Putih SP	Kg. Alor Hijau Selising, 16810 Pasir Putih.	09-7892988/019-9101825	
TERENGGANU				
DC	Kemaman DC	40-A, Jln Jakar, Chukai 24000 Kemaman.	09-8591028	09-8591028
	Dungun DC	PT 8574 Tkt Satu, Bgn AO, Jln Baru Pak Sabah, 23000 Dungun.	09-8423898	09-8423890 09-6310085
	Kuala Terengganu DC	219, Jln Sultan Zainal Abidin, 20000 Kuala Terengganu.	09-6220085	
eSP	Gong Badak	PT 13650K, Tmn Permint Makmur, Wakaf Tembusu, Gong Badak 20300 Kuala Terengganu.	09-6666308/013-9436988 espgongbadak@mycni.com.my	09-6902868
	Kuala Besut	777-C Depan Stesen Bas, Jln Besar, Seberang Barat, 22300 K. Besut.	09-6902868/012-2816118 espbesut@mycni.com.my	
SP	Bandar Permaisuri Setiu SP	Depan Masjid Kg Banggol, 22100 Bdr Permaisuri Setiu.	09-6099899/019-9228508	
	Kerteh SP	759-5, Kg Baru 24300 Kerteh Kemaman.	017-9702384/019-3375967	

DISTRIBUTION CENTRES/ SALES POINTS/ E-SALES POINTS

	Distribution Centres/ Sales Points/ e-Sales Points (DC, SP & eSP)	Address	Tel	Fax
PAHANG				
DC	Temerloh DC	10, Tkt Bawah & Satu, Jln Sudirman 7, 28000 Temerloh.	09-2966127/09-2774753 (R)	09-2966127
	Kuantan DC	B.58, Jln 1 M3/10 BIM Point, Bdr Indera Mahkota, Jln Kuantan, 25200 Kuantan.	09-5732626/2628/013-9349897	09-5732636
	Mentakab DC	No. 16, Jln Anggerik, 28400 Mentakab.	09-2771463/019-9551626	09-277146
eSP	Bentong	No. 7, Gerai MDB, Atas Hentian Raya Bentong, 28700 Bentong.	010-9165244/014-3201344 espbentong@mycni.com.my	
	Jengka	No E-40, SP CNI, Jln Besar Matau, Depan Giat Mara, 26400 Bandar Jengka.	09-4661379/ 013-6020451 espjengka@mycni.com.my	
	Kuantan Cni	B-1882 Lrg Sekilau 32, Tmn Pacific, 25200 Kuantan.	09-5133105 espkuantan@mycni.com.my	
	Lepar Hilir 2	No. 213, Felda Lepar Hilir 2, 26300 Gambang, Kuantan.	019-980 2369 espleparhilir02@mycni.com.my	
	Lepar Hilir 1	No. 1 G/JKKR Tapak Pekan Sehari Felda Lepar Hilir 0126300 Gambang.	013-988 1791 espleparhilir01@mycni.com.my	
	Rompin	No. 32 Jln utama Bdr Baru Rompin, 26800 Rompin Pahang 6 Taman Cheng Siew. 28300 Triang.	012-9592965 esprompin@mycni.com.my	
	Triang	No 217 Felda Chini 2, 26690 Pekan.	016-9866568 esptriang@mycni.com.my	
	Chini 2	S6 Tringkap Tanah Rata 39100 Cameron Highlands.	013-9404042 espChini2@mycni.com.my	
	Cameron Highlands	No 28 lot 5 Kg Kasing Endau, 26820 Kuala Rompin.	012-4522278 espcameron@mycni.com.my	
	Kuala Rompin	101A, Medan Niaga Bgn MARA, Jln Stesen, 27200 Kuala Lipis.	013-7880221 espkgkasing@mycni.com.my	
SP	Kuala Lipis SP	Lot 9820, Sublot 4 Section 65 K.T.L.D. Jalan Semarak, Petra Jaya, 93050 Kuching.	09-3122176/019-9661966	
SARAWAK				
RC	Petra Jaya RC	Lot 9392, Section 64, Kuching Town Land District 3½ Mile, Jln Pending, 93450 Kuching.	082-428714	082 - 347176
		No 1, 1st & 2nd Flr, Pusat Tanahwang, Jln Pedada,		
DC	Sarawak Branch	96000 Sibu.	082-340619/340620 /340621	084 - 321305
		Lot 586, 1st Floor, Pelita Commercial Centre,		
	Sibu DC	Miri-Pujut Road, 98000 Miri.	084-321284	085 - 410117
		302, 1st Floor, Lot 2754 Central Park Commercial Centre,		
	Miri DC Cni	Jln Tun Ahmad Zaidi Adruce, 93150 Kuching.	085-410117/085-410118 (R)	082 - 240192
		189, Park City Commerce Square, 97000 Bintulu.		
	Kuching DC Cni	No 6, Lot 1752, Jln Hospital, 95000 Bdr. Sri Aman.	082-424313/019 - 8182623	086 - 310611
		6A, 1st Flr, Jln Parry, 98000 Miri.		
	Bintulu DC Cni		086-310611/019-8151611	083 - 327313
	Sri Aman DC	Sublot 29,36, Lot 1192 Blk 1, Menyan Land Distric,	083-327313/019-8195313	
	Jln Parry, Miri DC	Sibu Jaya 96000.	085-437578/012-8041200	085 - 437578
		Lot 5107 Lrg Cahya Maju 2B, Taman Lake Side,		
eSP	Sibu Jaya	Baru Samariang, Jalan Sultan Tengah, 93050 Kuching.	013-8312888	
		Lot 946 Jln Camar, Lutong Baru 98100 Miri.	espsibu@mycni.com.my	
	Samariang		012-8872177/082-444191	
		D/A Brory Thomas, SK Cardinal Vaughan, 96850 Song.	espsamariang@mycni.com.my	
	Lutong		014-8799588	
		41 Lorong 12B/5, Desa Ilmu Kota Samarahan,	esplutong@mycni.com.my	
	Song	94300 Kota Samarahan.	019-8263930	
		No 1 Serian Bazaar, 94700 Serian.	espsong@mycni.com.my	
	Kota Samarahan		013-8659897	
			espsamarahan@mycni.com.my	
	Serian	54-C, Kg Hilir, 96000 Sibu.	014-8811112	
		83, Newtowship, 96400 Mukah.	espserian@mycni.com.my	
		Tingkat 1, Lot 1349, Jln Pandaruan, Kg Bangkita,		
SP	Sibu SP	98700 Limbang.	084-332216/012-8572342	
	Mukah SP	1, Tkt 1, Market Serbaguna, Majlis Daerah Bau, 94000 Bau.	084-871867/013-8063268	
	Limbang SP	Grd Flr 14 Lot 256, Jln Masjid Baru, 98850 Lawas.	085-215117/013-8337351	085 - 215117
		16, Lot 1864, Lorong 3, Tmn Lily, Jln Unak, 95400 Saratok.		
	Bau SP	No 5A, Jln Hj. Karim, 96100 Sarikei.	019-8876390	
	Lawas SP		019-865 3693	
	Saratok SP		083-438292/013-5717569	
	Sarikei SP		084-656397/019-8178229	

DISTRIBUTION CENTRES/ SALES POINTS/ E-SALES POINTS

	Distribution Centres/ Sales Points/ e-Sales Points (DC, SP & eSP)	Address	Tel	Fax
SABAH				
DC	Sabah Branch	Lot C6, Lrg 1A, KKIP Selatan, Kws MIEL, KKIP Jln Sepanggar, Menggatal 88460 Kota Kinabalu.	088-491100/01/02	088-491105
	Keningau DC	Lot 18, Tkt 2 Ribumi Complex, Jln Masak, Keningau 89000.	087-333715 / 335295 (R)/013-8658865	087-333715
	Lahad Datu DC	Ground Floor, MDLD 0156, Jalan Cempaka, 91100 Lahad Datu.	089-881953	089-881953
	Kota Kinabalu DC	Lot 29, block E, 1st Flr, Jln Albert Kwok Sedco, Complek Kg Air, 88000 KK	088-247790/013-8604168	088-247789
	Kunak DC	Kunak Plaza MDKNK 2327, 91207 Kunak.	089-852324/019-843 3229	089-852324
	Tawau DC	TB999, Jalan Utara, 91000 Tawau.	089-768154/014-8617839	089-776867
	Sandakan DC	Lot 52 (Tkt 1), Bdr Prima Batu 4, Jalan Utara 90000, Sandakan.	089-224868/013-4239897/ 019-9189897	089-211723
eSP	Tuaran	Lot No.13B PH II,1st Flr, Tmn Teo EE Teh, Shopping Complex, 89208 Tuaran.	088-788037/016-8125888 esptuaran@mycni.com.my	088-788037
	Bandar Sandakan	Jln Player, Blk 17, Tkt 1, APT.CI P.PJU, 90307 Bdr Sandakan.	089-229132/019-8208799/019-5835847 espsandakan@mycni.com.my	087-429879
	Ranau	Blok I. Lot 2, Bangunan SEDCO Ranau 89308 Ranau.	019-3785477 espranau@mycni.com.my	
	Papar	Lot 2, 1st Floor Comercial Centre, 89600 Papar.	016-8405527 esppapar@mycni.com.my	
SP	Tambunan SP	Peti Surat 14, Pekan Tambunan 89657.	019-8021699	
	Donggongon SP	Lot 7, (1st Floor), Block A, Donggongon Square, 89500 Penampang.	088-731687/012-8282687/ 013-8607687 cni_donggongon@yahoo.com.my	
BRUNEI				
DC	Brunei Branch CNI Enterprise (M) SDN BHD	Simpang 88 Unit No.9, Block B, Bangunan Begawan Pehin Hj. Md. Yusof, Kampung Kiulap BE 1518 Negara Brunei Darulssalam.	00673-2-237291/00673-2-237292 fce212@brunetbn	00673-2-23729
SP	Kg Junjongan SP	No.7 Blok D, Junjongan Industrial Park Simpang 2169, Kg. Junjongan Mukim Lumapas BH 2123 Brunei.	00673-864401	
	Pasarneka Seria SP	Pasarneka Seria, Brunei.	00673-8199897	
SINGAPORE				
	Singapore Branch Creative Network International (S) Pte.Ltd.	111 North Bridge Road, #15-01/02 Peninsula Plaza, Singapore 179098	02-6332 0275 http://www.cni.com.sg e-mail: info@cni.com.sg	02-63377395
SP	Ang Mo Kio Avenue	Blk 202, Ang Mo Kio Ave 3, #01-1668 Singapore 560202.	(02) 9237 0642	
	Ang Mo Kio Avenue	Blk 409, #01-49, Ang Mo Kio Avenue 10.	(02) 9189 3467	
	Serangoon North Avenue	Blk 152A, Serangoon North Avenue 1, #01-360.	(02) 9128 3977	
	Geylang East Avenue	Blk 1014, Geylang East Avenue 3, #06-202.	(02) 9670 6187	
	Bedok North Street	Blk 122, Bedok North Street 2, #01-126.	(02) 6448 9328/ 9675 3849	

CNI HOLDINGS BERHAD 181758-A

PROXY FORM

No. of Shares Held

I/We ______________________________ NRIC/Co. No. ______________

(Full name in block letters)

of ______________________________

(Full address)

being a member of CNI HOLDINGS BERHAD, hereby appoint ______________________________

______________________________ NRIC No. ______________

(Full name in block letters)

of ______________________________

(Full address)

*and/or failing him, ______________________________ NRIC No. ______________

(Full name in block letters)

of ______________________________

(Full address)

or failing *him/both, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Twenty-Third Annual General Meeting (23rd AGM) of the Company to be held at Diamond Hall, First Floor, Wisma CNI, 2 Jalan U1/17, Seksyen U1, Hicom-Glenmarie Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan on Thursday, 21 June 2012 at 11.00 a.m. or any adjournment thereof, in the manner indicated below:

AS ORDINARY BUSINESS		**For**	**Against**
Resolution 1	Re-election of Tan Sia Swee as Director		
Resolution 2	Re-election of Cheong Chin Tai as Director		
Resolution 3	Re-election of Zulkifli Bin Mohamad Razali as Director		
Resolution 4	Re-election of Koh How Loon as Director		
Resolution 5	Approval of the payment of Directors' fees		
Resolution 6	Approval of the increase in Directors' fees		
Resolution 7	Re-appointment of Messrs Moore Stephens AC as Auditors and to authorise the Directors to fix their remuneration		
AS SPECIAL BUSINESS			
Ordinary Resolution 1	Authority for Directors to Issue Shares Pursuant to Section 132D of the Companies Act, 1965		
Ordinary Resolution 2	Proposed Renewal of Shareholder Mandate and New Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
Ordinary Resolution 3	Proposed Renewal of Share Buy-Back Authority		
Special Resolution	Proposed Amendments to the Articles of Association of the Company		

(Please indicate with a "X" in the boxes provided below how you wish your vote to be cast. If you do not do so, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting)

Dated this ______________ day of ______________ 2012

____

Signature(s) / Common Seal of Member(s)

* Delete whichever is/are not applicable

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of Shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

Notes:

1. *A member entitled to attend and vote at the 23rd AGM is entitled to appoint up to two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.*
2. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*
3. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds which is credited with ordinary shares of the Company.*
4. *The instrument appointing a proxy or proxies must be under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or the hand of the attorney duly authorised.*
5. *The instrument appointing a proxy must be deposited at the Company's Registered Office, Wisma CNI, 2 Jalan U1/17, Seksyen U1, Hicom-Glenmarie Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan, not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.*
6. *For the purpose of determining a member who shall entitled to attend this 23rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 49(b) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a Record of Depositors as at 14 June 2012. Only a depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting or appoint proxy to attend and vote on his/her stead.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary
CNI HOLDINGS BERHAD
Wisma CNI, No. 2 Jalan U1/17
Seksyen U1, Hicom-Glenmarie Industrial Park
40000 Shah Alam
Selangor Darul Ehsan

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CNI HOLDINGS BERHAD 181758-A
Wisma CNI No.2 Jalan U1/17,
Seksyen U1, Hicom-Glenmarie Industrial Park,
40000 Shah Alam, Selangor Darul Ehsan, Malaysia.
Tel: 03-5569 4000 Fax: 03-5569 1078
Email: info@cniholdings.com.my
Website: www.cniholdings.com.my