

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has prescribed circular to shareholders on amendments to the Articles of Association as exempt circular. As such, Bursa Securities has not perused the information relating to the Proposed Amendments (as defined in this Circular). Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



C. I. Holdings Berhad

(37918-A)

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

in relation to the

- (I) PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE; AND**
- (II) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION.**

The above proposals will be tabled as Special Business at the Twenty-Ninth Annual General Meeting ("AGM") of C. I. Holdings Berhad ("CIH" or "the Company") to be held at Tun Rahah Grand Hall, Level 1, Menara Yayasan Tun Razak, No. 200, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, 30 October 2007 at 9:00 a.m. The Notice of the Twenty-Ninth AGM together with the Form of Proxy are enclosed in the Annual Report of the Company which is dispatched together with this Circular.

The Form of Proxy should be completed and lodged at the Registered Office of the Company at Level 10, Menara Yayasan Tun Razak, No. 200, Jalan Bukit Bintang, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time stipulated for holding the AGM or at any adjournment thereof. The lodgement of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

This Circular is dated 8 October 2007

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

“Act”	The Companies Act, 1965 as amended from time to time and any re-enactment thereof.
“AGM”	Annual General Meeting.
“Board”	The Board of Directors of CIH.
“2007 Annual Report”	Annual Report of CIH issued for the financial year ended 30 June 2007.
“Bursa Securities”	Bursa Malaysia Securities Berhad.
“CIH” or “the Company”	C. I. Holdings Berhad (37918-A).
“CIH Group / Group”	CIH and its subsidiary companies, as defined in section 5 of the Act.
“Directors”	Shall have the meaning given in section 4 of the Act, and includes any person who is or was within the preceding 6 months of the date on which the terms of transactions were agreed upon, a director of CIH, or any other company which is subsidiary or holding company or a chief executive officer of CIH, its subsidiary or holding company.
“Listing Requirements”	Listing Requirements of Bursa Securities.
“Major Shareholder”	A person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of CIH as defined under paragraph 1.01 of the Listing Requirements.
“Permanis”	Permanis Sdn. Bhd. (15978-V), a wholly-owned subsidiary of CIH.
“Person(s) Connected”	Such person, in relation to the director or major shareholder, who falls under any one of the following categories: <ul style="list-style-type: none">(a) A member of the director’s or major shareholder’s family, which family shall have the meaning given in Paragraph 1.01 of the Listing Requirements;(b) A trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the director, major shareholder or a member of the director’s or major shareholder’s family is the sole beneficiary;(c) A partner of the director, major shareholder or a partner of a person connected with that director or major shareholder;(d) A person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder;

- (e) A person in accordance with whose directions, instructions or wishes the director or major shareholder is accustomed or is under an obligation, whether formal or informal, to act;
- (f) A body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder;
- (g) A body corporate or its directors whose directions, instructions or wishes the director or major shareholder is accustomed or is under an obligation, whether formal or informal, to act;
- (h) A body corporate in which the director or major shareholder and/or persons connected with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or
- (i) A body corporate which is a related corporation.

“Proposals”	Proposed Amendments and Proposed Shareholders’ Mandate collectively.
“Proposed Amendments”	Proposed amendments to the Articles of Association.
“Proposed Shareholders’ Mandate”	Proposed shareholders’ mandate for CIH Group to enter into recurrent related party transactions of a revenue or trading nature.
“Recurrent Related Party Transactions” or “RRPT”	Related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for the CIH Group’s day-to-day operations and are in the ordinary course of business of the CIH Group.
“Related Party(ies)”	Director(s), major shareholder(s) or person(s) connected with such director(s) or major shareholder(s).
“RM” and “Sen”	Ringgit Malaysia and Sen respectively.
“Share(s)”	Ordinary Share(s) of RM1.00 each in CIH.
“SVB”	SV Beverages Holdings Sdn. Bhd. (661536-U).

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C. I. Holdings Berhad

(37918-A)
(Incorporated in Malaysia)

Registered Office:

Level 10, Menara Yayasan Tun Razak
No. 200, Jalan Bukit Bintang
55100 Kuala Lumpur

Date : 8 October 2007

Board of Directors:

Dato' Seri Abdul Ghani Bin Abdul Aziz	- Independent Non-Executive Chairman
Datuk Johari Bin Abdul Ghani	- Managing Director
Chan Peng Chiw	- Senior Independent Non-Executive Director
Maj Gen (R) Dato' Mohamed Isa Bin Che Kak	- Independent Non-Executive Director
Datuk Wira Syed Ali Bin Tan Sri Syed Abbas Alhabshee	- Independent Non-Executive Director
Dato' Azmeer Bin Rashid	- Independent Non-Executive Director
Nor Hishammuddin Bin Dato' Mohd Nordin	- Independent Non-Executive Director
Datin Mariam Prudence Binti Yusof	- Non-Independent Non-Executive Director

To : The Shareholders of C. I. Holdings Berhad

Dear Sir/ Madam,

- **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**
- **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

1. INTRODUCTION

On 19 September 2007, the Board of Directors announced of the Company's intention to seek shareholders' approval on the proposed amendments to the Articles of Association of the Company and proposed mandate for the CIH Group to enter into recurrent related party transactions of a revenue or trading nature at the forthcoming AGM.

The purpose of this Circular is to provide you with the relevant information on the Proposed Amendments and Proposed Shareholders' Mandate and to seek your approval for the special and ordinary resolutions, to be tabled at the forthcoming AGM.

Shareholders of CIH are advised to read the contents and the appendices of this Circular carefully before voting on the special and ordinary resolutions, to be tabled at the forthcoming Twenty-Ninth AGM of CIH.

The Notice of the AGM and Form of Proxy are enclosed in our 2007 Annual Report, which is sent together with this Circular.

2. DETAILS OF THE PROPOSED AMENDMENTS

The details of the Proposed Amendments are set out in Appendix I of this Circular.

3. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

3.1 Principal Activities of CIH Group

The principal activities of the Company are investment holding and provision of management services to its subsidiary companies.

The principal activities of the subsidiary companies are as follows:-

- Selling, bottling and distribution of beverages;
- Manufacture and trading of water taps and other plumbing accessories;
- Selling and distribution of water heater;
- Investment holding; and
- Provision of management services.

3.2 Classes of Related Party

The RRPT, for which approval is sought, is primarily in respect of transactions to be entered into by Permanis with SVB. Datin Mariam Prudence Binti Yusof, who is a Director and major shareholder of the Company is also a Director and major shareholder of SVB.

3.3 Nature and Terms of the RRPT and Estimated Values

The RRPT, as set out below, are transactions to be entered into by Permanis relating to the purchase of products and services from and royalty payable to SVB in the ordinary course of business:-

Nature of Transaction	Transacting Parties		Interested Directors/Major Shareholder/ Person connected with them	* Estimated transaction value from 30 October 2007 up to next AGM (RM'000)
	CIH Group	Related Party		
Purchase of raw materials by Permanis from SVB	Permanis	SVB	Datin Mariam Prudence Binti Yusof, is a Director and major shareholder of CIH and SVB	3,000
Royalty payable by Permanis to SVB	Permanis	SVB	-do-	1,000

Note:

* The estimated transactions value, for the period from 30 October 2007 up to next AGM are based on information, budgets and forecast available at the point of estimation and the actual value of transactions may vary accordingly.

3.4 Review Procedures for RRPT

The CIH Group has established various procedures to ensure that the RRPT are undertaken on an arm's length basis and on the Group's normal commercial terms, which are consistent with the Group's usual business practices and policies, and on terms not more favourable to the Related Party than those generally available to the public and are not detrimental to the interests of the minority shareholders of CIH.

In this respect, the CIH Group has implemented the following review and disclosure procedures with regards to the RRPT:-

- (i) A list of Related Parties of the CIH Group and a summary explaining what constitutes a RRPT will be circulated to the Directors and management of the Company and its subsidiaries, to notify that all such RRPT are required to be undertaken on arm's length basis and on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interests of the minority shareholders of the Company. The list of Related Parties will be continuously updated and circulated to the Directors and management of the Company and its subsidiaries, as and when the RRPT's status changes or additional RRPT are included or in any event, at least once a year if there is no change in the RRPT's status;
- (ii) All RRPT shall be reviewed by the Audit Committee of the Company who will make the necessary recommendation to the Board of Directors of CIH;
- (iii) A register/record shall be maintained by the Company to record all RRPT entered into pursuant to the Proposed Shareholders' Mandate;
- (iv) The annual internal audit plan shall incorporate a review of all RRPT entered into pursuant to the Proposed Shareholders' Mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to;
- (v) The Board of Directors of CIH and Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor RRPT have been complied with and the review shall be done at every quarter together with the review of quarterly results; and
- (vi) The Board of Directors of CIH and Audit Committee shall review the procedures as and when required, with the authority to sub-delegate to individuals or committees within the Company, as they deem appropriate. If a member of the Board of Directors of CIH or Audit Committee has an interest in the transaction to be reviewed by the Board of Directors of CIH or Audit Committee as the case may be, he will abstain from any decision making by the Board of Directors of CIH or Audit Committee in respect of that transaction.

3.5 Pricing

In determining the transactions prices, the Group applies methodologies such as the prevailing market rates/prices of the service/products, taking into account the provider's usual commercial terms, business practices and policies (including, where applicable, preferential rates and discounts accorded to a class or classes of customers or for bulk purchases) or otherwise in accordance with applicable industry norms.

Pricing of the raw materials for beverages and royalty payable are determined at prevailing market rates.

3.6 Statement by the Audit Committee

Part of the terms of reference of the Audit Committee would be to review any related party transaction and conflict of interest that may arise within the CIH Group, including any transaction, procedure or course of action that raises questions of integrity.

With this in mind the Audit Committee, having reviewed the procedures as outlined in Section 3.4 above, is of the view that the procedures are sufficient to ensure that the RRPT are not more favourable to the Related Party than those generally available to the public and are not detrimental to the interests of the minority shareholders of CIH.

4. RATIONALE OF THE PROPOSALS

4.1 Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate will benefit the Company as it allows Permanis to enter into transactions described in Section 3.3 above in a timely manner, and to eliminate the need for the Company on each occasion, to seek shareholders' approval as and when potential transactions with the Related Party arise. This would reduce substantially the administrative time, inconvenience and costs associated with the convening of such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the CIH Group.

Shareholders of the Company will appreciate that the RRPT, as outlined in Section 3.3 above are intended to facilitate transactions in the ordinary course of business of Permanis. The RRPT are carried out at arm's length basis on normal commercial terms which are not prejudicial to the interest of the shareholders, not more favourable to the Related Party than those generally available to the public and are not detrimental to the interests of the minority shareholders.

4.2 Proposed Amendments

The Proposed Amendments are made to align the Company's Articles of Association with the recent amendments to the Listing Requirements.

5. FINANCIAL EFFECTS OF THE PROPOSALS

The Proposals will have no effect on the share capital, dividend, gearing, net assets, earnings and the shareholdings of the Directors and major shareholders of the Company.

6. APPROVAL REQUIRED FOR THE PROPOSALS

The Proposals are subject to the approval of the shareholders of CIH at the forthcoming Twenty-Ninth AGM.

7. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

7.1 Proposed Shareholders' Mandate

The direct and indirect shareholdings of the Director and major shareholder, having interest in the Proposed Shareholders' Mandate as at 30 August 2007 are as follows:-

Director/major shareholder	No. of ordinary shares of RM1.00 each			
	Direct	%	Indirect	%
Datin Mariam Prudence Binti Yusof	-	-	26,275,500 ¹	20.27 ¹

Note:

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

Save as disclosed above, none of the Directors, major shareholders of CIH or any persons connected with them, have any interest, direct or indirect, in the Proposed Shareholders' Mandate.

Datin Mariam Prudence Binti Yusof, who is an interested Director and major shareholder has abstained and will continue to abstain from Board's deliberation and voting in relation to the relevant resolution on the Proposed Shareholders' Mandate as well as abstain from voting in respect of her indirect shareholdings in CIH on the proposed resolution at the forthcoming AGM to be convened.

In addition, Datin Mariam Prudence Binti Yusof has also undertaken to ensure that persons connected with her, if any, will abstain from voting in respect of their direct and/or indirect shareholdings on the proposed resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming AGM.

7.2 Proposed Amendments

None of the Directors, major shareholders and persons connected to the Directors and major shareholders has any interest, whether direct or indirect, in the Proposed Amendments.

8. DIRECTORS' RECOMMENDATION

Your Directors (save for Datin Mariam Prudence Binti Yusof who is an interested party to the Proposed Shareholders' Mandate), having considered all aspects of the Proposed Shareholders' Mandate and Proposed Amendments, are of the opinion that the Proposals are in the best interest of the Company and recommend that you vote in favour of the resolutions pertaining to the said proposals to be tabled at the forthcoming Twenty-Ninth AGM of the Company.

9. ANNUAL GENERAL MEETING

The resolutions to vote on the Proposals are set out as Special Business in the Notice of Meeting contained in the 2007 Annual Report which was sent to you together with this Circular. The Twenty-Ninth AGM will be held at Tun Rahah Grand Hall, Level 1, Menara Yayasan Tun Razak, No. 200, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, 30 October 2007 at 9:00 a.m.

If you are unable to attend and vote in person at the AGM, you should complete and return the Form of Proxy enclosed in the 2007 Annual Report in accordance with the instructions therein as soon as possible so as to arrive at the Registered Office of the Company at Level 10, Menara Yayasan Tun Razak, No. 200, Jalan Bukit Bintang, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the AGM. The completion and lodgement of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

10. FURTHER INFORMATION

Shareholders are advised to refer to Appendix II of this Circular, for further information.

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

DATO' SERI ABDUL GHANI BIN ABDUL AZIZ
Independent Non-Executive Chairman

C. I. HOLDINGS BERHAD (37918-A)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In conjunction with the recent enhancement to the Listing Requirements of Bursa Malaysia Securities Berhad, the Company proposes to implement the following amendments to the Articles of Association of the Company (for which differences are highlighted in bold) to comply with the amended provisions of the Listing Requirements of Bursa Malaysia Securities Berhad:-

Article No.	Existing Articles		Amended Articles	
Article 2	Definition			
	WORDS	MEANINGS	WORDS	MEANINGS
	Approved Market Place	... means a stock exchange which is specified to be an approved market place in the Securities Industry (Central Depositories) Exemption (No. 2) Order, 1998.	Approved Market Place	... Deleted
	Central Depository	... means Malaysian Central Depository Sdn Bhd.	Central Depository	... means Bursa Malaysia Depository Sdn Bhd.
	Deposited Security	... means a security standing to the credit of a Securities Account and includes securities in a Securities Account that is in suspense.	Deposited Security	... shall have the meaning given in section 2 of the Securities Industry (Central Depositories) Act 1991.
	Depositor	... means a holder of Securities Account.	Depositor	... means a holder of Securities Account established by the Central Depository.
	Rules	... means the Rules of the Central Depositories.	Rules	... shall have the meaning given in Section 2 of the Central Depositories Act.

Article No.	Existing Articles	Amended Articles
	<p>Securities ... means an Account ... account established by the Central Depository for a Depositor for the recording of deposit or withdrawal of securities and for dealings in such securities by the Depositor.</p> <p>The Stock Exchange ... means Kuala Lumpur Stock Exchange and such other stock exchange if any upon which the shares of the Company may be listed and quoted.</p>	<p>Securities ... means an Account ... account established by the Central Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor.</p> <p>The Stock Exchange ... means Bursa Malaysia Securities Berhad and such other stock exchange if any upon which the shares of the Company may be listed and quoted.</p>
Article 3	<p><u>Issue of Shares</u></p> <p>(1) Subject always to the provisions of the Act and Article 47 and to the provisions of any resolution of the Company the shares of the Company shall be under the control of the Directors who may allot and issue or otherwise dispose of the same to such persons and on such terms and conditions with such preferred, deferred or other special rights or such restrictions whether in regard to dividend, voting or return of share capital and either at a premium or otherwise and at such time or times as the Directors may think fit.</p> <p>(2) Paragraph 1 of this Article shall be subject to the following restrictions, that is to say:-</p>	<p><u>Issue of Shares</u></p> <p>No Change</p>

Article No.	Existing Articles	Amended Articles
	<p>(a) No Director shall participate in an issue of shares or options to employees of the Company unless the shareholders in general meeting have approved of the specific allotment to be made to such Director and unless he holds office in the Company in an executive capacity Provided always that a non-executive Director may so participate in an issue of shares pursuant to a public issue or offer for sale;</p> <p>(b) No issue of preference shares shall be made which would result in the total nominal value of issued preference shares exceeding the total nominal value of the issued ordinary shares at any time;</p> <p>(c) No shares shall be issued at a discount except in compliance with the provisions of section 59 of the Act; and</p> <p>(d) The rights attaching to shares of a class other than ordinary shares shall be expressed in the resolutions passed creating the same.</p>	<p>No Change</p> <p>Deleted</p> <p>Renumbered as Article 3(2)(b)</p> <p>Renumbered as Article 3(2)(c)</p>
Article 4	<p><u>Preference Shares</u></p> <p>(1) Subject to Article 3(2)(b), the Company shall have power with the sanction of an ordinary resolution to issue preference shares carrying a right to redemption out of profits or liable to be redeemed at the option of the Company or to issue preference shares ranking equally with or in priority to preference shares already issued and the Directors may, subject to the provisions of the Act, redeem such shares on such terms and in such manner and either at par or at a premium as they may think fit.</p>	<p><u>Preference Shares</u></p> <p>No Change</p>

Article No.	Existing Articles	Amended Articles
	<p>(2) Preference shareholders shall have the same rights as ordinary shareholders as regards the receiving of notices, reports and audited accounts and the attending of general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or on a proposal to wind up the Company or during the winding up of the Company or sanctioning a sale or disposal of the whole of the Company's property, business or undertaking or where the proposition to be submitted to the meeting directly affects their rights and privileges or when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months.</p> <p>(3) Preference shareholders must be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up.</p>	<p>No Change</p> <p>Deleted</p>
Article 23	<p><u>Suspension of registers</u></p> <p>The registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine not exceeding in the whole thirty (30) days in any year. Subject always to the requirements of the Stock Exchange, <u>at least twelve (12) market days</u> notice of intention to close the said register shall be published in a daily newspapers circulating in Malaysia and shall be also be given to the Stock Exchange.</p>	<p><u>Suspension of registers</u></p> <p>The registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine not exceeding in the whole thirty (30) days in any year. Subject always to the requirements of the Stock Exchange, at least ten (10) market days notice of intention to close the said register shall be published in a daily newspapers circulating in Malaysia and shall also be given to the Stock Exchange.</p>
Article 30	<p><u>Transmission of securities from Foreign Register</u></p> <p>(1) Where:-</p> <p>(a) the securities of the Company are listed on the <u>Approved Market Place</u>; and</p>	<p><u>Transmission of securities from Foreign Register</u></p> <p>Where:-</p> <p>(a) the securities of the Company are listed on another stock exchange; and</p>

Article No.	Existing Articles	Amended Articles
	<p>(b) the Company is exempted from compliance with section 14 of the Central Depositories Act or section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such securities,</p> <p>the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the <u>Approved Market Place</u> (hereinafter referred to as “the Foreign Register”) to the register of holders maintained by the registrar of the Company in Malaysia (hereinafter referred to as “the Malaysian Register”) provided that there shall be no change in the ownership of such securities.</p> <p>(2) Where subparagraphs 1(a) and 1(b) above are fulfilled, the Company shall not allow any transmission of securities from the Malaysian Register into the Foreign Register.</p>	<p>No Change</p> <p>the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.</p> <p>Deleted</p>
Article 56	<p><u>Contents of Notice</u></p> <p>(1) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him and that a proxy need not be a member of the Company and the provisions of Section <u>149(1) (b)</u> of the Act shall not apply to the Company.</p>	<p><u>Contents of Notice</u></p> <p>(1) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him and that a proxy need not be a member of the Company and the provisions of Section 149(1) (a) and (b) of the Act shall not apply to the Company.</p>

Article No.	Existing Articles	Amended Articles
	<p>(2) In the case of an Annual General Meeting the notice shall also specify the meeting as such.</p> <p>(3) In the case of any general meeting at which business other than ordinary business is to be transacted, the notice shall specify the general nature of such business and shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business and if any resolution is to be proposed as a special resolution the notice shall contain a statement to that effect.</p> <p>(4) In addition, at least fourteen (14) days' notice of before the meetings or at least twenty-one (21) days' notice for a meeting where any special resolution is to be proposed or where it is an annual general meeting shall be given by advertisement in at least one national daily newspaper and in writing to <u>the Exchange</u>.</p>	<p>No Change</p> <p>No Change</p> <p>(4) In addition, at least fourteen (14) days' notice of before the meetings or at least twenty-one (21) days' notice for a meeting where any special resolution is to be proposed or where it is an annual general meeting shall be given by advertisement in at least one national daily newspaper and in writing to the Stock Exchange.</p>
Article 57	<p><u>Record of Depositors</u></p> <p>(1) The Company shall request the Central Depository in accordance with the Rules <u>at least three (3) market days prior to and not including the date of the notice of the general meeting</u>, to prepare the Record of Depositors to whom notices of general meetings shall be given by the Company.</p> <p>(2) The Company shall also request the Central Depository in accordance with the Rules, to issue a Record of Depositors, <u>as at a date not less than three (3) markets days</u> before the date of</p>	<p><u>Record of Depositors</u></p> <p>(1) The Company shall request the Central Depository in accordance with the Rules, to issue the Record of Depositors to whom notices of general meetings shall be given by the Company.</p> <p>(2) The Company shall also request the Central Depository in accordance with the Rules, to issue a Record of Depositors, as at the latest date which is reasonably practicable which</p>

Article No.	Existing Articles	Amended Articles
	<p>the general meeting (hereinafter referred to as “the General Meeting Record of Depositors”). Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable), a depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.</p> <p>(3) The said notice shall state the purpose or purposes for which the register is being closed. At least three (3) market days prior notice shall be given to the Central Depository to prepare the appropriate Record of Depositors provided that where the Record of Depositors is required in respect of corporate actions, at least seven (7) market days prior notice shall be given to the Central Depository.</p>	<p>shall in any event be not less than three (3) market days before the general meeting (hereinafter referred to as “the General Meeting Record of Depositors”).</p> <p>Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable), a Depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.</p> <p>No Change</p>
Article 73	<p><u>Votes for members</u></p> <p>Subject to Article 57 and any rights or restrictions for the time being attached to any class or classes of shares, at meetings of Members or classes of Members, each Member shall be entitled to vote in person or by proxy or duly authorised representative or by attorney and on a show of hands at any general meetings in respect of any share or shares upon which all calls due to the Company have been paid. Every person present who is a Member or representative or attorney or proxy of a Member shall have one (1) vote, and on a poll every Member present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote</p>	<p><u>Votes for members</u></p> <p>Subject to Article 57 and any rights or restrictions for the time being attached to any class or classes of shares, at meeting of Members or classes of Members, each Member shall be entitled to vote in person or by proxy or duly authorised representative or by attorney and on a show of hands at any general meetings in respect of any share or shares upon which all calls due to the Company have been paid. Every person present and entitled to vote who is a Member, which shall include a holder of ordinary shares or preference shares (as the case may permit) or representative or attorney or proxy of a Member shall have one (1)</p>

Article No.	Existing Articles	Amended Articles
	<p>for each share he holds. A proxy or attorney need not be a member of the Company and shall be entitled to vote on a show of hands on any question at any General Meeting.</p>	<p>vote, and on a poll every Member present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each share he holds. A proxy or attorney need not be a member of the Company and shall be entitled to vote on a show of hands on any question at any General Meeting.</p>
Article 76	<p>(1) <u>Instrument appointing proxy to be in writing</u></p> <p>The instrument appointing a proxy shall be in writing under the hands of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under its common seal, or the hand of its officer or its duly authorised attorney. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor. A proxy may but need not be a Member of the Company and the provisions of <u>section 149(1) (b)</u> of the Act shall not apply to the Company.</p> <p>(2) <u>Corporations can appoint representative</u></p> <p>Any corporation or statutory corporation which is a Member of the Company may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.</p>	<p>(1) <u>Instrument appointing proxy to be in writing</u></p> <p>The instrument appointing a proxy shall be in writing under the hands of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under its common seal, or the hand of its officer or its duly authorised attorney. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor. A proxy may but need not be a Member of the Company and a Member of the Company may appoint any person to be his proxy and the provisions of section 149(1) (a) and (b) of the Act shall not apply to the Company.</p> <p>No Change</p>

Article No.	Existing Articles	Amended Articles
	<p>(3) <u>Appointment of more than one proxy</u></p> <p>A Member may appoint more than one proxy to attend the same meeting. Where a Member appoints two or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. Where a Member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.</p>	<p>(3) <u>Appointment of at least one proxy</u></p> <p>No Change</p>
Article 83	<p><u>Power to add to Directors</u></p> <p>All Directors of the Company shall be <u>natural persons</u>. The Directors shall have power from time to time and at any time to appoint additional Directors. A Director so appointed shall retire from office at the close of next Annual General Meeting, but shall be eligible for re-election.</p>	<p><u>Power to add to Directors</u></p> <p>The Directors shall have power from time to time and at any time to appoint additional Directors. A Director so appointed shall retire from office at the close of next Annual General Meeting, but shall be eligible for re-election.</p>
Article 87	<p><u>Disqualification of a Director</u></p> <p>The office of Director shall become vacant, if the Director:-</p> <p>(a) becomes bankrupt or makes any arrangement or composition with his creditors generally;</p> <p>(b) becomes of unsound mind or a person liable to be dealt with in any way under the law relating to mental disorder;</p> <p>(c) becomes prohibited by law from acting as a Director;</p> <p>(d) resigns from his office by notice in writing given to the Company;</p>	<p><u>Disqualification of a Director</u></p> <p>The office of Director shall become vacant, if the Director:-</p> <p>(a) becomes bankrupt or makes any arrangement or composition with his creditors generally during his term of office;</p> <p>(b) becomes of unsound mind or a person liable to be dealt with in any way under the law relating to mental disorder during his term of office;</p> <p>(c) becomes prohibited by law from acting as a Director;</p> <p>(d) resigns from his office by notice in writing given to the Company; or</p>

Article No.	Existing Articles	Amended Articles
	<p>(e) is removed from his office by ordinary resolution of the Company in general meeting; and</p> <p>(f) is absent from more than 50.00% of the total board of directors' meetings held during a financial year.</p>	<p>(e) is removed from his office by ordinary resolution of the Company in general meeting.</p> <p>Deleted</p>
Article 128 (1)	<p><u>Dividends payable by cheque</u></p> <p>Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the last registered address of the Member or person entitled thereto. Every such cheque or warrant shall be payable to the order of the person to whom it is sent and payment of the cheque shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.</p>	<p><u>Dividends payable by cheque</u></p> <p>Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the last registered address of the Member or person entitled thereto or paid via electronic transfer of remittance to the account provided by the Member who is named in the Register of Member and/or Record of Depositors or, in the case of joint holders, addressed to the holder whose name stands first in the Register or Record of Depositors in respect of the shares at his registered address as appearing in the Register or Record of Depositors or addressed to such person and such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be payable to the order of the person to whom it is sent and payment of the cheque shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.</p>
Article 134	<p><u>Presentation of accounts</u></p> <p>The Directors shall from time to time in accordance with the provisions of the Act and the Stock Exchange Listing Requirements cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary provided always that the interval between the close of the financial year of the Company and the issue of the annual <u>audited accounts</u>, the Directors' and Auditors' reports</p>	<p><u>Presentation of accounts</u></p> <p>The Directors shall from time to time in accordance with the provisions of the Act and the Stock Exchange Listing Requirements cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary provided always that the interval between the close of the financial year of the Company and the issue of the annual audited financial statements, the Directors'</p>

Article No.	Existing Articles	Amended Articles
	shall not exceed four (4) months.	and Auditors' reports to Bursa Securities in printed form or in CD-ROM form or in such other form of electronic media , shall not exceed four (4) months.
Article 135	<p><u>Copies of accounts</u></p> <p>A copy of every balance sheet and profit and loss account which is to be laid before the Company in general meeting (including every document required by law to be annexed thereto) together with a copy of the Auditors' report relating thereto and of the Directors' report shall, not more than six (6) months after the close of the financial year and not less than twenty-one (21) days before the date of the meeting be sent to every Member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or of these Articles. <u>The requisite number of copies of each of such document as may be required by the Exchange shall at the same time be likewise sent to the Stock Exchange.</u> Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware of, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application to the Office.</p>	<p><u>Copies of accounts</u></p> <p>A copy of every balance sheet and income statement which is to be laid before the Company in general meeting (including every document required by law to be annexed thereto) together with a copy of the Auditors' report relating thereto and of the Directors' report in printed form or in CD-ROM form or in such other form of electronic media shall, not more than six (6) months after the close of the financial year and not less than twenty-one (21) days before the date of the meeting be sent to every Member of, and every holder of debentures of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or of these Articles; provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application to the Office. In the event that these documents are sent in CD-ROM form or in such other form of electronic media and if a Member requires a printed form of such documents, the Company shall send such documents to the Member within four (4) market days from the date of receipt of the Member's request.</p>

Article No.	Existing Articles	Amended Articles
Article 147	<p><u>Effect of Listing Requirements</u></p> <p>(1) Notwithstanding anything contained in these Articles, if the Listing Requirements prohibit an act being done, the act shall not be done.</p> <p>(2) Nothing contained in these Articles prevents an act being done that the Listing Requirements require to be done.</p> <p>(3) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).</p> <p>(4) If the Listing Requirements require these Articles to contain a provision and they do not contain such a provision, these Articles are deemed to contain that provision.</p> <p>(5) If the Listing Requirements require these Articles not to contain a provision and they contain such a provision, these Articles are deemed not to contain that provision.</p> <p>(6) If any provision of these Articles is or becomes inconsistent with the Listing Requirements, these Articles are deemed not to contain that provision to the extent of the inconsistency.</p> <p>(7) For the purposes of these Articles, unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of <u>Kuala Lumpur Stock Exchange</u> including any amendment to the Listing Requirements that may be made from time to time.</p>	<p>No Change</p> <p>No Change</p> <p>No Change</p> <p>No Change</p> <p>No Change</p> <p>No Change</p> <p>No Change</p> <p>(7) For the purposes of these Articles, unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of Bursa Malaysia Securities Berhad including any amendment to the Listing Requirements that may be made from time to time.</p>

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of CIH who collectively and individually accept full responsibility for the accuracy of the information given and confirm that after having made all reasonable enquiries and to the best of their knowledge and belief, there are no material facts, the omission of which would make any statement misleading in this Circular.

2. MATERIAL LITIGATION

Save as disclosed below, neither CIH nor its subsidiaries are engaged in any material litigation, claims and/or arbitration, either as plaintiff or defendant, and the Directors of CIH do not have any knowledge of any proceedings pending or threatened against CIH or its subsidiaries or of any facts likely to give rise to any proceedings which might adversely and materially affect the position or business of CIH and its subsidiaries:-

- (i) On 27 June 2003, Prosper Chain Quarry Sdn. Bhd. served a Writ of Summons on a wholly-owned subsidiary of the Company for damages of RM3.06 million for wrongful termination of the extended quarry contract.

The subsidiary has filed and served a Statement of Defence on 21 August 2003. The hearing of the case management is fixed on 4 December 2007.

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

- (ii) On 12 January 2004, a subsidiary issued a letter of demand against CL Hardware Sdn. Bhd. ("CLH") for the alleged infringement of trademark and copyright and the passing off of its goodwill in respect of a wide range of sanitary fittings, bathroom accessories and other related products ("Products"). The Products were original designed, manufactured and supplied by the subsidiary under and by reference to the brand name of DOE.

On the balance of probabilities, the subsidiary's lawyers are positive about the outcome of the liability portion (as against CLH) of this litigation based on the facts that counterfeit products were in fact seized at CLH's premise and that CLH had earlier propose to resolve this matter via nominal monetary compensation to the subsidiary prior to this litigation.

- (iii) On 3 April 2002, CEVA Logistic Malaysia Sdn. Bhd. [formerly known as TNT Logistic (Malaysia) Sdn. Bhd.] ("CEVA") commenced a legal action against two wholly-owned subsidiaries of the Company for the unpaid invoices and damages arise from wrongful termination of contract for the sum of RM0.57 million together with interest at the rate of 12.65% per annum on the sum of RM0.56 million from 21 August 2000 until settlement, general damages to be assessed and costs. The subsidiaries have counterclaimed for damages occasioned by CEVA's breaches.

On 15 June 2007, the Arbitrator gave the Final Award in favour of CEVA and dismissed the subsidiaries' counter claim with costs. On 18 July 2007, the subsidiaries have given the instruction to the lawyers to refer the decision of the Arbitrator to the High Court.

Currently, the subsidiaries are in the midst of negotiation with CEVA in view of arriving at an out-of-court settlement. The Board of Directors is of the opinion that the case has no material impact on the subsidiaries and the case would be resolved in due time.

- (iv) On 8 June 2005, a wholly-owned subsidiary of the Company has commenced arbitration proceedings against Konsortium Logistik Berhad ("KLB") to claim for inventory losses amounting to a sum of RM22.71 million, which arose from a Warehousing and Distribution Services Agreement dated 1 November 2000 ("the Agreement") and a Settlement and Supplemental Agreement dated 18 September 2004 made between KLB and the subsidiary. KLB has provided warehousing and distribution services to the subsidiary under the Agreement. KLB claimed a sum of RM6.50 million and damages for wrongful termination of the Agreement against the subsidiary.

The subsidiary and KLB have agreed to withdraw all claims against each other and the subsidiary has agreed to accept a total of RM8.0 million as a full and final settlement by way of instalments. As at todate, the subsidiary has received a total of RM5.0 million from KLB.

- (v) KKS Trading Sdn. Bhd. ("KKS") filed a suit against a wholly-owned subsidiary of the Company at the Kuala Lumpur High Court, claiming a sum of RM3.10 million as damages suffered by reason of the subsidiary alleged wrongful termination of a distribution partner agreement. The matter is fixed for trial on 23 and 24 January 2008. Based on the advice of the lawyers and the evidence available to this case, the Board of Directors is confident that the subsidiary will successfully defend this case.
- (vi) Pursuant to a Kuala Lumpur High Court Commercial Division Suit, Kickapoo Malaysia Sdn. Bhd. ("Kickapoo") claimed for an injunction and damages for a purported "economic tort" allegedly carried out by two of the Company's wholly-owned subsidiaries, being the third and fourth Defendant in this suit, against Kickapoo. Kickapoo claimed that the subsidiaries had:-
- (a) procured or induced a breach of contract and/or interfered with the contract between Kickapoo and its purported franchisor ("the Contract");
 - (b) wilfully and intentionally interfered with the Contract in view of the prospective economic advantage; and
 - (c) conspired with the first and second Defendant with intent and via unlawful means caused losses to Kickapoo.

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

Kickapoo applied for an Interim Injunction to prohibit the subsidiaries from producing, selling and marketing Kickapoo beverage and the Interim Injunction which was granted by the Kuala Lumpur High Court on 30 January 2007. As a result, the subsidiaries filed an appeal to the Court of Appeal against the Interim Injunction.

On 21 August 2007, the Court of Appeal overturned the High Court's decision on the Interim Injunction and therefore allowing the subsidiaries to continue to manufacture, sell and/or distribute the Kickapoo Joy Juice Products pending the conclusion of the hearing of the Writ of Summons taken out by Kickapoo against the subsidiaries.

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

- (vii) Teck Guan Trading Sdn. Bhd. ("TGT") filed a suit for a sum of RM1.42 million against a wholly-owned subsidiary of the Company for the wrongful termination of the Distribution Partner Agreement dated 5 August 2004 by the subsidiary on grounds of TGT's failure to meet the set performance target.

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

3. MATERIAL CONTRACTS

Save as disclosed below, neither CIH nor any of its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business) during the two (2) years preceding the date of this Circular:-

- (i) On 21 September 2005, Permanis had entered into a Memorandum of Agreement with SV Beverages Holdings Sdn. Bhd. ("SVB") whereby SVB appoints Permanis to bottle, market, sell and/or distribute, the beverages known as and sold under the trademark "Kickapoo Joy Juice®" for a period of five years subject to annual review of the terms and conditions of the said appointment. The appointment shall be effective in West Malaysia only.
- (ii) On 18 January 2006, Permanis had entered into a conditional Sale and Purchase Agreement for the Proposed Sale of the Properties to Amanah Raya Berhad. The Sale and Purchase Agreement was completed on 5 December 2006.
- (iii) On 1 January 2007, Permanis had entered into an Exclusive Bottling Appointment ("EBA") with PepsiCo Inc, North Carolina, U.S.A and Seven-Up International, a division of The Concentrate Manufacturing Company of Ireland to enable Permanis to bottle, market, sell and/or distribute the beverage known as and sold under the trademark as stipulated in the EBA in Malaysia.

- (iv) On 11 June 2007, C.I. Quarries Sdn. Bhd. ("CIQ"), a wholly-owned subsidiary of C.I. Building Industries Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company, entered into a Share Sale Agreement ("SSA") and Sale and Purchase Agreement with Batu Tiga Quarry Sdn. Bhd. ("BTQ") for the disposals of the entire 873,834 ordinary shares of RM1.00 each in the capital of C.I. Quarrying & Marketing Sdn. Bhd. and nine (9) parcels of freehold lands situated at Mukim Ulu Semenyih, Daerah Ulu Langat, State of Selangor Darul Ehsan for a total cash consideration of RM4.0 million. The SSA was completed on 19 July 2007.
- (v) On 11 June 2007, Capital Aim Sdn. Bhd., a wholly-owned subsidiary of CIQ, entered into a SSA with BTQ for the disposal of the entire 75,100 ordinary shares of RM1.00 each in the capital of Mutual Prospect Sdn. Bhd. for a cash consideration of RM4.0 million. The SSA was completed on 19 July 2007.

4. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the Registered Office of the Company during normal office hours from Mondays to Fridays (exclude public holidays) from the date of this Circular and up to the time set for convening the AGM:-

- (a) Memorandum and Articles of Association of CIH;
- (b) Audited accounts of CIH for the past two years ended 30 June 2006 and 30 June 2007;
- (c) Material litigation referred to in Section 2 above; and
- (d) Material contracts referred to in Section 3 above.