

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.

The Notice of the Extraordinary General Meeting ("EGM") of C.I. Holdings Berhad together with the Form of Proxy is enclosed in this Circular.

Bursa Malaysia Securities Berhad ("Bursa Securities") has prescribed this Circular to shareholders in relation to the Proposed Amendment as an exempt Circular. As such, Bursa Securities has not perused the contents of this Circular in relation to the Proposed Amendment prior to its issuance.

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C.I. Holdings Berhad

(Company No.: 37918-A)

(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

- (I) **PROPOSED CAPITAL REPAYMENT OF RM71 MILLION TO THE SHAREHOLDERS OF C.I. HOLDINGS BERHAD ("CIH") ON THE BASIS OF RM0.50 FOR EVERY ONE ORDINARY SHARE OF RM1.00 EACH HELD IN CIH ("PROPOSED CAPITAL REPAYMENT"); AND**
- (II) **PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF CIH PURSUANT TO THE PROPOSED CAPITAL REPAYMENT ("PROPOSED AMENDMENT")**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



CIMB Investment Bank Berhad (18417-M)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

As a shareholder, you may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you must complete, sign and deposit the enclosed Form of Proxy at our registered office at Level 10, Menara Yayasan Tun Razak, No. 200, Jalan Bukit Bintang, 55100 Kuala Lumpur not later than 48 hours before the time set for the meeting or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently decide to do so.

Last day and time for lodging of the Form of Proxy : Monday, 16 January 2012 at 9.30 a.m.

Date and time of the EGM : Wednesday, 18 January 2012 at 9.30 a.m.

Venue of the EGM : Tun Rahah Grand Hall, Level 1, Menara Yayasan Tun Razak, No. 200, Jalan Bukit Bintang, 55100 Kuala Lumpur

This circular is dated 21 December 2011

DEFINITIONS

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

Act	:	Companies Act, 1965
Board	:	Board of Directors of our Company
CIH	:	C.I. Holdings Berhad (37918-A)
CIH Group	:	CIH and its subsidiaries, collectively
CIH Shares	:	Ordinary shares in CIH
CIMB	:	CIMB Investment Bank Berhad (18417-M)
Company	:	CIH
Completed Events	:	Completion of the Disposal and the Special Dividend
Disposal	:	Disposal by CIH of 70,000,000 ordinary shares of RM1.00 each in Permanis, representing 100% of the issued and paid-up share capital of Permanis for a total cash consideration of RM820 million, which was completed on 11 November 2011
EGM	:	Extraordinary General Meeting
Entitled Shareholders	:	Shareholders whose names appear in our Company's Record of Depositors as at the Entitlement Date
Entitlement Date	:	A date to be determined and announced later, on which shareholders must be registered in our Record of Depositors in order to be entitled to the Proposed Capital Repayment
High Court	:	High Court of Malaya
NA	:	Net assets
Permanis	:	Permanis Sdn Bhd (15978-V)
Proposals	:	Collectively, the Proposed Capital Repayment and the Proposed Amendment
Proposed Amendment	:	Proposed amendment to the Memorandum of Association of our Company pursuant to the Proposed Capital Repayment
Proposed Capital Repayment	:	Proposed capital repayment of RM71 million to the Entitled Shareholders by way of cash distribution on the basis of RM0.50 for every one CIH Share held via a reduction of our issued and paid-up share capital under Section 64 of the Act
RM and sen	:	Ringgit Malaysia and sen, respectively
Special Dividend	:	Payment of special cash dividend of RM653.2 million on the basis of RM4.60 for every one CIH Share held by shareholders whose names appear in our Record of Depositors as at 29 November 2011, which was completed on 9 December 2011

All references to “**our Company**” in this Circular are to CIH and “**our Group**” to the CIH Group. References to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company and where the context requires, shall include our subsidiaries. All references to “**you**” in this Circular are to the shareholders of CIH.

For practical reasons, information disclosed in this Circular has been mainly based on a cut-off date of 30 November 2011, being the latest practicable date before the printing of this Circular (“**LPD**”), unless stated otherwise.

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Reference to persons shall include corporations.

Any reference in this Circular to any provisions of the statutes, rules, regulations, guidelines or rules of stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations, guidelines or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment of the statutes, rules, regulations, guidelines or rules of stock exchange for the time being in force.

Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Any discrepancy in the tables between the amounts listed and the totals in this Circular are due to rounding.

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “**seek**”, “**expect**”, “**anticipate**”, “**estimate**”, “**believe**”, “**intend**”, “**project**”, “**plan**”, “**strategy**”, “**forecast**” and similar expressions or future or conditional verbs such as “**will**”, “**would**”, “**should**”, “**could**”, “**may**” and “**might**”. These statements reflect our current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and we do not undertake any obligation to update publicly or revise any forward-looking statements.

The proforma financial effects of the Proposals in this Circular are prepared purely for illustration and do not reflect the future financial performance and condition of our Company and/or the CIH Group after the Proposals.

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NOTICE OF EGM

FORM OF PROXY

ENCLOSED



C.I. Holdings Berhad

(Company No.: 37918-A)

(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

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

21 December 2011

Board of Directors:

Dato' Seri Abdul Ghani Bin Abdul Aziz (*Senior Independent Non-Executive Chairman*)
Datuk Johari Bin Abdul Ghani (*Group Managing 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*)
Teh Bee Tein (*Independent Non-Executive Director*)
Kasinathan A/L Tulasi (*Independent Non-Executive Director*)

To: Our Shareholders

Dear Sir/Madam,

- (I) **PROPOSED CAPITAL REPAYMENT OF RM71 MILLION TO THE SHAREHOLDERS OF CIH ON THE BASIS OF RM0.50 FOR EVERY ONE CIH SHARE HELD; AND**
- (II) **PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF CIH PURSUANT TO THE PROPOSED CAPITAL REPAYMENT**

1. INTRODUCTION

- 1.1 On 10 November 2011, CIMB announced on our behalf that we wish to distribute a total cash dividend of RM724.2 million (equivalent to RM5.10 per CIH Share), via the following:
- (i) declaration of a special cash dividend payment of RM653.2 million on the basis of RM4.60 for every one CIH Share held; and
 - (ii) proposed capital repayment of RM71 million to our shareholders on the basis of RM0.50 for every one CIH Share held via a reduction of the issued and paid-up share capital of our Company pursuant to Section 64 of the Act.

The Special Dividend and Proposed Capital Repayment are to be funded from the proceeds of the Disposal. Our Company also proposed to amend its Memorandum of Association to facilitate the implementation of the Proposed Capital Repayment.

- 1.2 On 11 November 2011, CIMB announced on our behalf that we have received the full proceeds of the Disposal, marking the completion of the Disposal. On the same day, our Company announced that the entitlement date for the Special Dividend has been fixed on 29 November 2011. The Special Dividend was subsequently paid on 9 December 2011.

The purpose of this Circular is to provide you with details of the Proposals and to seek your approval for the resolutions pertaining to the Proposals to be tabled at our forthcoming EGM. The Notice of EGM together with the Form of Proxy are enclosed in this Circular.

YOU ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR IN RELATION TO THE PROPOSALS CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Capital Repayment

We are proposing to undertake the Proposed Capital Repayment by reducing our existing issued and paid-up share capital in accordance with Section 64 of the Act.

Based on the issued and paid-up share capital of our Company of RM142 million comprising 142 million ordinary shares of RM1.00 each as at the LPD, a total cash amount of RM71 million will be returned to Entitled Shareholders and our Company will have a resultant issued and paid-up share capital of RM71 million comprising 142 million ordinary shares of RM0.50 each after the Proposed Capital Repayment.

The Proposed Capital Repayment will not affect the number of or the rights attaching to the CIH Shares held by you. As such, your holdings of CIH Shares will be unaffected, save for the reduction in par value from RM1.00 to RM0.50 per share after the Proposed Capital Repayment.

For illustration purposes, if you are holding 1,000 CIH Shares as at the Entitlement Date, you will receive, under the Proposed Capital Repayment, a total cash amount of RM500 in consideration for the reduction in par value of the aforesaid 1,000 CIH Shares in hand. Consequently, your holding of 1,000 ordinary shares in CIH of RM1.00 each will become 1,000 ordinary shares in CIH of RM0.50 each following completion of the Proposed Capital Repayment.

2.2 Proposed Amendment

To reflect the reduction in par value of our ordinary shares from RM1.00 to RM0.50 arising from the Proposed Capital Repayment, we propose to amend the first sentence of Clause 5 of our Memorandum of Association as follows:

<u>Existing Clause 5</u>	<u>New Clause 5</u>
The Capital of the Company is Ringgit Malaysia Five Hundred Million Only (RM500,000,000/-) divided into 500,000,000 shares of RM1.00 each.	The Capital of the Company is Ringgit Malaysia <u>Two Hundred and Fifty Million</u> Only (RM250,000,000/-) divided into 500,000,000 shares of <u>RM0.50</u> each.

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Capital Repayment

The Proposed Capital Repayment is consistent with our Board's objective to maximise shareholders' value through efficient capital management. This includes returning cash in excess of our Company's requirements to our shareholders, after taking into consideration our Company's operations after the Disposal, our working capital requirements and near term investment plans.

Our shareholders are expected to benefit from value enhancement and improvement to our Company's rate of return arising from the Proposed Capital Repayment. In addition, our Board believes that returning equity to our shareholders can further improve the efficiency of our balance sheet.

As illustrated below, based on the audited consolidated financial statements of CIH as at 30 June 2011, our Group expects to generate a higher return on equity ("ROE") by reducing our capital which is in excess of our Company's requirements via the Proposed Capital Repayment.

	<u>Before the Proposed Capital Repayment</u>	<u>After the Proposed Capital Repayment</u>
	<u>RM 000</u>	
Profit for the year	(1)2,166	2,166
Shareholders' funds / NA	(2)193,617	(3)122,017
ROE	1.1%	1.8%

Notes:

(1) Excludes profit from the discontinued operations of Permanis.

(2) Includes the following Completed Events which are assumed to have been completed on 30 June 2011:

(i) the Disposal, taking into consideration the gain on the Disposal of RM676.4 million and expenses for the Disposal of RM19 million; and

(ii) the Special Dividend.

(3) After deducting estimated expenses for the Proposals of RM600,000.

3.2 Proposed Amendment

The Proposed Amendment will facilitate the reduction in par value of our ordinary shares from RM1.00 to RM0.50 per share as a result of the Proposed Capital Repayment.

4. EFFECTS OF THE PROPOSALS

The Proposed Amendment will not have any effect on our issued and paid-up share capital, NA, gearing, consolidated earnings and the substantial shareholders' shareholdings in our Company.

The Proposed Capital Repayment will not have any effect on our consolidated earnings and the substantial shareholders' shareholdings in our Company. The proforma effects of the Proposed Capital Repayment on our issued and paid-up share capital, NA and gearing are set out below.

4.1 Issued and paid-up share capital

The proforma effects of the Proposed Capital Repayment on the issued and paid-up share capital of our Company are as follows:

	No. of CIH Shares	Par value	Issued and paid-up share capital
	000	RM	RM 000
Share capital as at the LPD	142,000	1.00	142,000
Reduction of share capital pursuant to the Proposed Capital Repayment	-	(0.50)	(71,000)
Share capital upon completion of the Proposed Capital Repayment	<u>142,000</u>	<u>0.50</u>	<u>71,000</u>

4.2 NA and gearing

For illustrative purposes only, the proforma effects of the Proposed Capital Repayment on the consolidated NA and gearing of our Company based on the audited consolidated statement of financial position of CIH as at 30 June 2011 and assuming the Completed Events and the Proposed Capital Repayment have been effected on that date, are set out below:

	(I)	(II)	
	Audited as at 30 June 2011	After the Completed Events	After (I) and the Proposed Capital Repayment
	RM 000		
Share capital	142,000	142,000	71,000
Share premium	2,147	2,147	2,147
Retained earnings	45,238	⁽¹⁾ 49,470	⁽²⁾ 48,870
Shareholders' funds / NA	<u>189,385</u>	<u>193,617</u>	<u>122,017</u>
No. of ordinary shares in issue (000)	142,000	142,000	142,000
NA per share (RM)	1.33	1.36	0.86
Total borrowings (RM 000)	175,461	⁽³⁾ 4,087	4,087
Gearing (times)	0.93	0.02	0.03

Notes:

⁽¹⁾ Includes the following Completed Events:

- (i) the Disposal, taking into consideration the gain on the Disposal of RM676.4 million and expenses for the Disposal of RM19 million; and
- (ii) the Special Dividend.

⁽²⁾ After deducting estimated expenses for the Proposals of RM600,000.

⁽³⁾ Being the total interest-bearing borrowings of the CIH Group after adjusting for the financial debts attributed to Permanis and its subsidiaries of RM171.4 million.

5. CONDITIONS FOR THE PROPOSALS

5.1 The Proposals are subject to the following being obtained:

- (i) the approval of the shareholders of CIH at a general meeting to be convened for the Proposals; and
- (ii) the sanction of the High Court for the Proposed Capital Repayment pursuant to Section 64 of the Act.

5.2 The Proposed Capital Repayment and Proposed Amendment are inter-conditional. The Proposals are not conditional upon any other corporate exercise/scheme of our Company.

6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors and/or substantial shareholders of CIH or persons connected to them have any interest, direct or indirect, in the Proposals save for their respective entitlements as shareholders of the Company, which are also available to all other Entitled Shareholders.

7. OUTSTANDING CORPORATE EXERCISE/SCHEME ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, we do not have any other outstanding corporate exercise/scheme which has been announced but is pending completion as at the LPD.

8. DIRECTORS' RECOMMENDATION

Our Board, having considered the rationale as set out in Section 3 above and deliberated on all aspects of the Proposals, is of the opinion that the Proposals are in the best interest of our Company. Accordingly, our Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at our forthcoming EGM.

9. ADVISER

CIMB has been appointed as our Principal Adviser for the Proposals.

10. TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances, the Proposals are expected to complete by the first half of 2012. The key milestones and tentative timing for the implementation of the Proposals are set out below:

Key milestone	Tentative timing
EGM to obtain the approval of our shareholders for the Proposals	18 January 2012
Application to the High Court for the Proposed Capital Repayment	19 January 2012
High Court confirmation for the Proposed Capital Repayment	March 2012
Entitlement Date	April 2012
Completion of the Proposals	April 2012

11. EGM

We will hold an EGM, the notice of which has been enclosed in this Circular, at Tun Rahah Grand Hall, Level 1, Menara Yayasan Tun Razak, No. 200, Jalan Bukit Bintang, 55100 Kuala Lumpur, on Wednesday, 18 January 2012 at 9.30 a.m., for the purpose of considering and if thought fit, passing the resolutions pertaining to the Proposals.

As a shareholder, you may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you must complete, sign and deposit the enclosed Form of Proxy at our registered office at Level 10, Menara Yayasan Tun Razak, No. 200, Jalan Bukit Bintang, 55100 Kuala Lumpur not later than 48 hours before the time set for the meeting or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently decide to do so.

12. FURTHER INFORMATION

Please refer to the attached appendix for further information.

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

Datuk Johari Bin Abdul Ghani
Group Managing Director

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in this Circular false or misleading.

2. DECLARATION OF CONFLICT OF INTEREST AND CONSENT

2.1 Declaration of conflict of interest

CIMB is not aware of any circumstances which would give rise to a possible conflict of interest in respect of its role as Principal Adviser for the Proposals.

2.2 Consent

CIMB, being named as the Principal Adviser for the Proposals has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto, in the form and context in which they appear in this Circular.

3. MATERIAL CONTRACTS

Save as disclosed below, our company and subsidiaries have not entered into any other material contracts (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular.

- (i) On 21 July 2011, our Company entered into a conditional Share Sale Agreement with Asahi Group Holdings, Ltd. ("**Asahi**") for the disposal by our Company of 70,000,000 ordinary shares of RM1.00 each in Permanis, representing 100% of the issued and paid-up share capital of Permanis to Asahi, for a cash consideration of RM820 million. The Disposal was completed on 11 November 2011.
- (ii) On 11 November 2011, our Company entered into an intercompany services agreement ("**Intercompany Services Agreement**") with Permanis for the provision of intercompany transitional services by our Company to Permanis following the completion of the Disposal. The intercompany transitional services include liaising with key executives, advising on current operating overheads for streamlining operations to ensure greater productivity, legal and secretarial services in consideration for Permanis paying to our Company a fee of RM300,000 per month. The Intercompany Services Agreement is for a period of 3 months from the completion date of the Disposal but subject to the provision for automatic renewal on a monthly basis up to a further period of 9 months unless terminated earlier.
- (iii) On 16 November 2011, Doe Industries Sdn Bhd (36788-T) ("**DOE**"), a wholly-owned subsidiary of our Company, entered into the following agreements:
 - (a) Sale of Shares Agreement with Orient Vector Sdn Bhd (653831-A) for the acquisition of 1,502,200 ordinary shares of RM1.00 each in Potex Industries Sdn Bhd (297534-X) ("**PISB**") representing the remaining 10% in PISB, for a cash consideration of RM295,089; and

- (b) Sale of Shares Agreement with Khoo Soon Kwee @ Francis for the acquisition of 25,000 ordinary shares of RM1.00 each in Potex Sdn Bhd (599393-U) (“**PSB**”) representing the remaining 10% equity interest in PSB, for a total cash consideration of RM4,911

(collectively referred to as “**Acquisitions**”).

The Acquisitions were completed on 16 November 2011 and PISB and PSB have since become wholly-owned subsidiaries of DOE.

- (iv) Vide a sale and purchase agreement dated 18 January 2006, Permanis sold 2 adjoining parcels of leasehold lands held under document of titles HSM 13244A, PT 20104 and HS(M) 13245A, PT 20105, all situated in Seksyen 13, Mukim Kajang, Bandar Baru Bangi, Daerah Hulu Langat, Negeri Selangor together with the building/structure erected thereon (collectively, the “**Properties**”) to Amanah Raya Berhad (as trustee for Kumpulan Wang Bersama) (“**ARB**”).

Pursuant to a lease agreement dated 5 December 2006 (as supplemented by a Supplemental Lease Agreement dated 14 July 2008) (“**Lease Agreement**”) between ARB and our Company, our Company was granted a lease for the Properties.

ARB’s rights, title and interest, benefit and obligations under the Lease Agreement was transferred to CIMB Trustee Berhad (167913-M) (“**CIMB Trustee**”) pursuant to a Novation Agreement dated 22 December 2006 and thereafter, CIMB Trustee became the new lessor in respect of the Properties.

On 1 November 2011, our Company entered into the second novation agreement and sub-tenancy agreement (“**Second Novation Agreement and Sub-Tenancy Agreement**”) with CIMB Trustee and Permanis pursuant to which the lease in respect of the Properties together with the rights, title, interest, benefits and obligations under the Lease Agreement will be transferred by our Company to Permanis as the new lessee upon the fulfilment of certain conditions of the Second Novation Agreement and Sub-Tenancy Agreement.

4. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

Save as disclosed below, as at LPD, the CIH Group is not engaged in any other material litigation, claims or arbitration, either as plaintiff or defendant, and our Board has no knowledge of any proceedings pending or threatened against our Group or of any material facts likely to give rise to any proceedings which may materially and adversely affect the position or business of our Group.

Neoh Soon Tong (“Claimant”) –v- C.I. Holdings Berhad, C. I. Construction Sdn Bhd, C. I. Quarries Sdn Bhd and Permanis Sdn Bhd (“Respondents”) (Kuala Lumpur Industrial Court Case No. 14/4 – 234/06)

The Claimant, a former employee of C. I. Construction Sdn Bhd, a wholly owned subsidiary of our Company, commenced a legal action against the Respondents on 25 January 2006 alleging that his dismissal on 30 September 2003 was unjust and was in breach of principal of justice. The Claimant claimed for loss of wages, allowances, privileges or benefits of any kind that the Court deems fit and proper. The Claimant’s solicitors, Messrs. S T Nathan & Associates had on 29 September 2011 written to the Respondents’ solicitors, Messrs Affendi Zahari, proposing for a sum of RM463,500.00 as a full and final settlement of the claim but the Respondents have rejected the proposal and maintained that their counter proposal for the sum of RM173,400.00 shall be full and final settlement of the amount claimed.

The parties have failed to resolve this matter by way of mediation and the matter is now fixed for further hearing on 18 January 2012. Our solicitors are of the opinion that there is a good chance that the Respondents can succeed to maintain its counter-offer for the sum of RM173,400.00 as full and final settlement. This amount has been fully provided for by our Company as at the latest financial year ended 30 June 2011.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection during normal business hours at our Company's registered office at Level 10, Menara Yayasan Tun Razak, No. 200, Jalan Bukit Bintang 55100 Kuala Lumpur from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of our EGM:

- (i) the Memorandum and Articles of Association of our Company;
- (ii) our audited consolidated financial statements for the 2 financial years ended 30 June 2010 and 30 June 2011;
- (iii) our unaudited consolidated quarterly results for the 3-month financial period ended 30 September 2011;
- (iv) the declaration of conflict of interest and consent letter referred to in Section 2 of this Appendix I;
- (v) the contracts referred to in Section 3 of this Appendix I; and
- (vi) the relevant cause papers referred to in Section 4 of this Appendix I.

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C.I. Holdings Berhad

(Company No.: 37918-A)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of C.I. Holdings Berhad (“CIH” or “Company”) will be held at Tun Rahah Grand Hall, Level 1, Menara Yayasan Tun Razak, No. 200, Jalan Bukit Bintang, 55100 Kuala Lumpur, on Wednesday, 18 January 2012 at 9.30 a.m., for the purpose of considering and, if thought fit, passing the following resolutions:

SPECIAL RESOLUTION 1

PROPOSED CAPITAL REPAYMENT OF RM71 MILLION TO THE SHAREHOLDERS OF CIH ON THE BASIS OF RM0.50 FOR EVERY ONE ORDINARY SHARE OF RM1.00 EACH HELD IN CIH (“PROPOSED CAPITAL REPAYMENT”)

“**THAT**, subject to the passing of Special Resolution 2 and the confirmation by the High Court of Malaya (“**High Court**”) pursuant to Section 64 of the Companies Act, 1965, approval be and is hereby given for the Company pursuant to Article 50 of the Articles of Association of the Company, to reduce its issued and paid-up share capital at a date to be determined and announced later by the Directors of the Company (“**Entitlement Date**”) by cancelling RM0.50 from the par value of each ordinary share of RM1.00 each in the Company (“**CIH Shares**”);

AND THAT following the par value reduction, approval is hereby given for the Company to make a cash distribution to all the shareholders of the Company on the basis of RM0.50 for every one CIH Share held on the Entitlement Date;

AND THAT the Directors of the Company be and are authorised with full powers to take all such steps as they may deem necessary:

- (i) to determine the Entitlement Date referred to in this Special Resolution 1;
- (ii) to assent to any conditions, stipulations, modifications, variations or amendments imposed by the High Court;
- (iii) to lodge an office copy of the order of the High Court referred to in this Special Resolution 1 with the Companies Commission of Malaysia on such date as the Directors may determine; and
- (iv) to do all such acts, deeds and/or things incidental, and/or as may be required or as they consider necessary and expedient in the best interest of the Company, to give full effect to and complete the Proposed Capital Repayment.”

SPECIAL RESOLUTION 2

PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF CIH PURSUANT TO THE PROPOSED CAPITAL REPAYMENT (“PROPOSED AMENDMENT”)

“**THAT**, subject to the passing of Special Resolution 1 and the confirmation by the High Court for the Proposed Capital Repayment, approval be and is hereby given for the Company to amend the first sentence of Clause 5 of the Memorandum of Association of the Company as set out below:

Existing Clause 5

The Capital of the Company is Ringgit Malaysia Five Hundred Million Only (RM500,000,000/-) divided into 500,000,000 shares of RM1.00 each.

New Clause 5

The Capital of the Company is Ringgit Malaysia Two Hundred and Fifty Million Only (RM250,000,000/-) divided into 500,000,000 shares of RM0.50 each.

AND THAT, save for the amendment as aforesaid, the remainder of Clause 5 of the Memorandum of Association of the Company shall remain the same;

AND THAT the Directors of the Company be and are authorised with full powers to do all such acts, deeds and/or things incidental, and/or as may be required or as they consider necessary and expedient in the best interest of the Company, to give full effect to and complete the Proposed Amendment.”

**BY ORDER OF THE BOARD
C.I. HOLDINGS BERHAD**

Azlan Bin Ahmad (LS 0009209)
Chin Ngeok Mui (MAICSA 7003178)
Company Secretaries

Kuala Lumpur
21 December 2011

Notes:

- ⁽¹⁾ A member who is entitled to attend and vote at the meeting is entitled to appoint one or more than one proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
- ⁽²⁾ Where a member appoints two or more proxies, the appointment shall not be valid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.
- ⁽³⁾ If no name is inserted in the space for the name of your proxy, the Chairman of the meeting will act as your proxy.
- ⁽⁴⁾ The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if the appointor is a corporation either under Common Seal or under the hand of an officer or attorney duly authorised.
- ⁽⁵⁾ The instrument appointing a proxy must be completed, signed and deposited at the Company's Registered Office at Level 10, Menara Yayasan Tun Razak, No. 200, Jalan Bukit Bintang, 55100 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.



C.I. Holdings Berhad

(Company No.: 37918-A)
(Incorporated in Malaysia under the Companies Act, 1965)

FORM OF PROXY

CDS account no.	
No. of ordinary shares held	

I/We (full name as per NRIC/ company name in block capitals)

*NRIC/Company No. (New NRIC No.) (Old NRIC No.)

of (full address)

being a member of **C.I. HOLDINGS BERHAD** ("Company") hereby appoint (full name as per NRIC in block capitals)

* NRIC No. (New NRIC No.) (Old NRIC No.)

of (full address)

or failing him/her (full name as per NRIC in block capitals)

NRIC No. (New NRIC No.) (Old NRIC No.)

of (full address)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting ("EGM") of 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 Wednesday, 18 January 2012 at 9.30 a.m.

My/Our proxy is to vote as indicated below:

SPECIAL RESOLUTIONS:	FOR	AGAINST
SPECIAL RESOLUTION 1 - PROPOSED CAPITAL REPAYMENT		
SPECIAL RESOLUTION 2 - PROPOSED AMENDMENT		

(Please indicate with an "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion)

Dated this day of 2012

Signature/ Common seal of shareholder

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Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretaries

C.I. HOLDINGS BERHAD
Level 10, Menara Yayasan Tun Razak
No. 200, Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia

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