

RISK MANAGEMENT

The Board recognises and accepts that there is a degree of risk involved in all of its business activities. The Group is sensitive to the concerns of those on whom it depends and does business with - investors, employees, customers, trading partners and the communities. The Group will seek to minimise its volatility to business risks which could impact the Groups ability to meet its objectives and achieve its strategic goals.

RISK & CONTROL WORKGROUP

The Groups risk management process is managed by the Risk & Control Workgroup (RCW), made up of cross-functional senior managers and is headed by the Finance Director. The Group adopts a proactive approach to managing its business risks in a rapidly changing business environment which is principally aimed at:

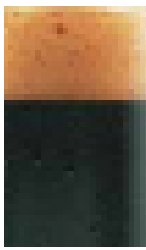
- Ensuring the continuity of supply of its products to the consumers at all times
- Protecting its assets and reputation
- Preserving the safety and health of its employees
- Ensuring that the Groups operations do not impact negatively on its neighbours
- Protecting the interests of all stakeholders
- Ensuring compliance with the Malaysian Code of Corporate Governance, brand partners guidelines and all applicable Malaysian laws
- Promoting an effective risk awareness culture where risk management is an integral aspect of the Groups management systems



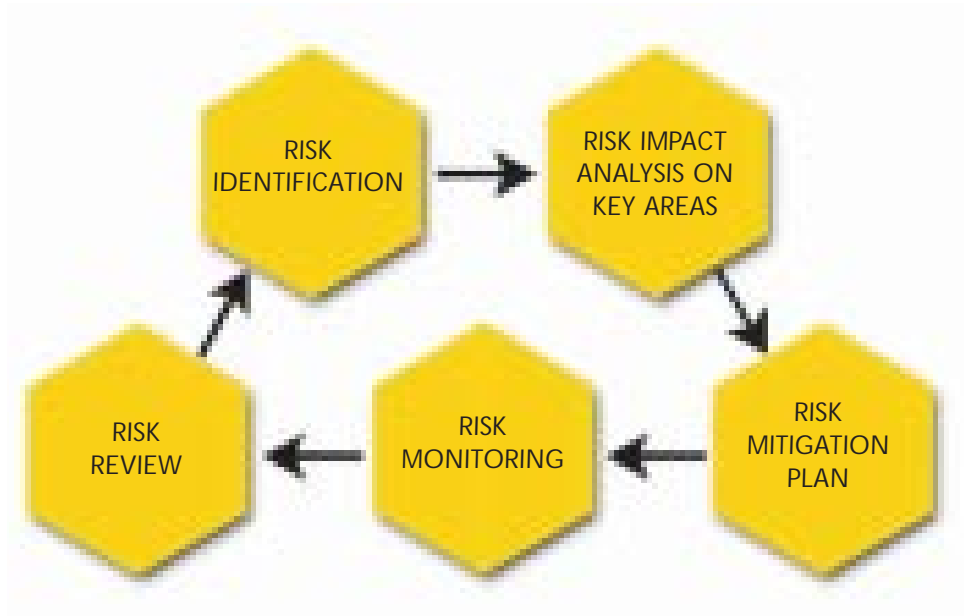
Effective learning through hands-on training



Briefing analysts



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In the risk identification process, all possible risks are identified, analysed and prioritised. It includes risks such as Corporate Image, Environment, Health and Safety issues (EHS), Information and Communications Technology, product quality issues, competitors' activities and contraband issues.

Impact	Risk Management Actions		
Significant	Considerable management required	Must manage and monitor risks	Extensive management essential
Moderate	Risks may be worth accepting with monitoring	Management effort worthwhile	Management effort required
Minor	Accept risks	Accept, but monitor risks	Manage and monitor risks
	Low	Medium Likelihood	High

This categorisation will enable the Group to allocate its resources to deal with the different levels of business risks.

Promotion of Risk Awareness

In support of the Groups efforts to promote a risk awareness culture, the RCW communicates the Groups risk management programme to the appropriate levels of employees and other stakeholders via the appropriate channel. Employees are also encouraged to give feedback on risk management issues and make suggestions for improvement.