

C.I. HOLDINGS BERHAD

(37918-A)

- Quarterly Report on consolidated results for the first financial quarter ended 30th September 2007

Quarterly Report on consolidated results for the first financial quarter ended 30th September 2007.

These figure have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30.09.2007 RM'000	Quarter Ended 30.09.2006 RM'000	Year To Date Ended 30.09.2007 RM'000	Year To Date Ended 30.09.2006 RM'000
Continuing Operations				
Revenue	71,156	67,902	71,156	67,902
Cost of Sales	<u>(39,248)</u>	<u>(39,303)</u>	<u>(39,248)</u>	<u>(39,303)</u>
Gross Profit	31,908	28,599	31,908	28,599
Other Operating Income	125	549	125	549
Selling and Distribution Costs	(20,682)	(19,462)	(20,682)	(19,462)
Administrative Expenses	(6,376)	(6,583)	(6,376)	(6,583)
Finance Costs	<u>(1,081)</u>	<u>(1,185)</u>	<u>(1,081)</u>	<u>(1,185)</u>
Profit Before Tax	3,894	1,918	3,894	1,918
Income Tax Expense	<u>(823)</u>	<u>(291)</u>	<u>(823)</u>	<u>(291)</u>
Profit for the period from continuing operations	3,071	1,627	3,071	1,627
Discontinued Operation				
Profit for the period from discontinued operation	<u>32</u>	<u>149</u>	<u>32</u>	<u>149</u>
Profit for the period	<u>3,103</u>	<u>1,776</u>	<u>3,103</u>	<u>1,776</u>
Attributable to :				
Equity holders of the parent	3,107	1,776	3,107	1,776
Minority Interest	<u>(4)</u>	<u>-</u>	<u>(4)</u>	<u>-</u>
	<u>3,103</u>	<u>1,776</u>	<u>3,103</u>	<u>1,776</u>
	Sen	Sen	Sen	Sen
Basic earnings per share attributable to equity holders of the parent:				
- Continuing operations	2.37	1.26	2.37	1.26
- Discounted operation	<u>0.03</u>	<u>0.11</u>	<u>0.03</u>	<u>0.11</u>
	<u>2.40</u>	<u>1.37</u>	<u>2.40</u>	<u>1.37</u>
Diluted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note:

The diluted earnings per share in respect of warrants is not presented as it is anti-dilutive.

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30th June 2007 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited as at 30.09.2007 RM'000	Restated Audited as at 30.06.2007 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	80,064	65,757
Investment Properties	6,797	6,803
Prepaid Lease Payments	2,154	2,172
Other Investment	21	21
Intangible Assets	47,548	47,548
Deferred Tax Assets	3,123	3,123
	<u>139,707</u>	<u>125,424</u>
Current Assets		
Inventories	24,696	19,429
Trade Receivables	64,133	56,912
Other Receivables	6,642	13,065
Tax Recoverable	98	122
Fixed Deposits with licensed bank	5,012	12
Cash and Bank Balances	5,433	8,681
	<u>106,014</u>	<u>98,221</u>
Non-Current Assets Held For Sale	2,000	2,000
	<u>108,014</u>	<u>100,221</u>
TOTAL ASSETS	<u>247,721</u>	<u>225,645</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	129,607	129,607
Reserves	(36,802)	(39,909)
	<u>92,805</u>	<u>89,698</u>
Minority Interests	1,058	1,062
Total Equity	<u>93,863</u>	<u>90,760</u>
Non-Current Liabilities		
Bank Borrowings	18,318	10,221
Hire Purchase and Finance Lease Creditors	6,213	6,862
Other Deferred and Non-Current Liabilities	4,828	4,290
	<u>29,359</u>	<u>21,373</u>
Current Liabilities		
Trade Payables	30,431	22,376
Other Payables	32,623	33,733
Hire Purchase and Finance Lease Creditors	4,183	3,736
Bank Overdrafts	3,350	1,940
Bank Borrowings	53,320	51,216
Taxation	592	511
	<u>124,499</u>	<u>113,512</u>
Total Liabilities	<u>153,858</u>	<u>134,885</u>
EQUITY AND LIABILITIES	<u>247,721</u>	<u>225,645</u>
Net assets per share (RM)	0.72	0.70

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 30th June 2007 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<----- Attributable to equity holders of the parent ----->							Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	<----- Share Premium RM'000	Non-distributable Reserve on Consolidation RM'000	-----> Special Reserve RM'000	Distributable Accumulated Losses RM'000	Total RM'000			
At 1st July 2007	129,607	1,156	55,458	10,622	(115,391)	81,452	1,080	82,532	
Effect of adopting FRS 3	-	-	(55,458)	-	55,458	-	-	-	
Effect of adopting FRS 140	-	-	-	-	378	378	-	378	
Profit for the year	-	-	-	-	7,868	7,868	(18)	7,850	
At 30th June 2007	129,607	1,156	-	10,622	(51,687)	89,698	1,062	90,760	
At 1st July 2007	129,607	1,156	-	10,622	(51,687)	89,698	1,062	90,760	
Profit for the period	-	-	-	-	3,107	3,107	(4)	3,103	
At 30th September 2007	129,607	1,156	-	10,622	(48,580)	92,805	1,058	93,863	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30th June 2007 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Year To Date Ended 30.09.2007 RM'000	Corresponding Year To Date Ended 30.09.2006 RM'000
Profit/(Loss) Before Tax from:		
- Continuing operations	3,894	1,918
- Discontinued operation	48	149
Adjustments for non-cash flow:-		
Non-Cash Items	3,430	3,403
Non-Operating Items	(12)	(256)
Operating Profit Before Working Capital Changes	7,360	5,214
Changes in Working Capital		
Net Change in Current Assets	(9,674)	(17,199)
Net Change in Current Liabilities	10,420	2,406
Tax Refund/(Paid)	(243)	(209)
Cash Generated from/(Used in) Operating Activities	7,863	(9,788)
Retirement Benefits Paid	(52)	-
Interest Paid	(985)	(1,198)
Interest Received	16	2
Net Cash Generated from/(Used in) Operating Activities	6,842	(10,984)
Investing Activities		
Purchase of Property, Plant and Equipment	(16,744)	(2,080)
Proceeds from Sale of Property, Plant and Equipment	32	2
(Placement)/Uplift of fixed deposits pledged to licensed banks	(5,000)	300
Disposal of subsidiary, net of cash and cash equivalent	-	(4)
Net Cash Used in Investing Activities	(21,712)	(1,782)
Financing Activities		
Drawdown of Borrowings	20,506	20,091
Repayment of Borrowings	(10,294)	(12,318)
Net Cash From Financing Activities	10,212	7,773
Net Change in Cash and Cash Equivalents	(4,658)	(4,993)
Cash and Cash Equivalents at beginning of financial period	6,741	3,591
Cash and Cash Equivalents at end of financial period	2,083	(1,402)
Cash and cash equivalents carried forward consists of:-		
Fixed deposits with licensed banks	5,012	686
Cash and bank balances	5,433	2,550
Bank overdrafts	(3,350)	(3,952)
	7,095	(716)
Less: Fixed Deposits pledged to licensed bank	(5,012)	(686)
	2,083	(1,402)

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30th June 2007 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT**A1 Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirement of FRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30th June 2007. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 30th June 2007 except for the adoption of the following revised Financial Reporting Standards ("FRS") effective for the financial period :

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 117	Leases
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 124	Related Party Disclosures
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above revised FRS do not have significant financial impact on the Group except for the adoption of FRS 117.

Prior to the adoption of the revised FRS 117, leasehold land was classified as property, plant and equipment and was stated at cost or valuation less accumulated depreciation and impairment losses. Under the revised FRS 117, leasehold land is an operating lease unless title passes to the lessee at the end of the lease term. With the adoption of the revised FRS 117, the unamortised carrying amounts of leasehold land are now classified as prepaid lease payments and amortised over the period of its remaining lease term, as allowed by the transitional provisions of the revised FRS 117. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and the comparatives in the balance sheet have been restated.

Comparatives

The following comparative amounts have been restated due to the adoption of FRS 117:-

	As previously reported RM'000	Effect of adopting FRS 117 RM'000	As restated RM'000
As 30th June 2007			
Balance Sheet			
Property, Plant and Equipment	67,929	(2,172)	65,757
Prepaid Lease Payments	-	2,172	2,172

A2 Auditors' Report

The auditors' report on the financial statements of the Group for the year ended 30th June 2007 was not subject to any qualification.

A3 Seasonal or Cyclical Factors

The Group's business operations are in line with consumer demands which are skewed during festive seasons.

A4 Nature and Amount of Unusual Items

There were no unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the current quarter.

A5 Nature and Amount of Changes in Estimates

There were no significant changes in estimates of amounts reported in our previous reporting that have a material effect for the current financial year to date.

A6 Debt and Equity Securities

The Group was not involved in any issuance and repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year to date.

A7 Dividend Paid

No dividend had been paid during the reporting quarter.

NOTES TO THE INTERIM FINANCIAL REPORT**A8 Segmental Reporting**

The Group's segment revenue and results for the current financial quarter is as follows:-

	Beverages RM'000	Building and construction related products RM'000	Investment holdings RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from continuing operations						
External revenue	64,627	6,529	-	-	-	71,156
Inter-segment revenue	-	-	308	-	(308)	-
Revenue from discontinued operation						
Segment revenue	64,627	6,704	308	-	(308)	71,331

Results

Profit from continuing operations						4,975
Finance costs						(1,081)
Profit before tax						3,894
Taxation						(823)
Profit after tax						3,071
Profit from discontinued operation	-	32	-	-	-	32
Net Profit for the period						3,103

No geographical segmental information is presented as the Group operates principally within Malaysia.

A9 Property, Plant and Equipment

The valuations of land and buildings have been brought forward, without amendment from the annual financial report for the year ended 30th June 2007. Certain properties were reclassified to prepaid lease payment as disclosed in Note A1.

A10 Subsequent Material Events

There were no material events subsequent to the end of the current quarter ended 30th June 2007 up to the date of this report.

A11 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter.

Discontinued Operation

On 11th June 2007, the Company has entered into agreements with Batu Tiga Quarry Sdn Bhd for the Proposed Divestment of two of its wholly-owned subsidiaries and 9 parcels of freehold lands. The disposal of the two subsidiaries were completed while the disposal of the 9 parcels of freehold lands are currently pending completion due to certain conditions precedent as stated in the Sale & Purchase Agreement has not been duly fulfilled.

The revenue, results and cashflows of the quarries division were as follows:-

	Quarter Ended		Year To Date Ended	
	30.09.07 RM'000	30.09.06 RM'000	30.09.07 RM'000	30.09.06 RM'000
Revenue	175	284	175	284
Profit before tax	48	149	48	149
Income tax expenses	(16)	-	(16)	-
Profit for the period from discontinued operation	32	149	32	149
Cash flows from operating activities	46	10	46	10
Cash flows from investing activities	-	-	-	-
Cash flows from financing activities	(2)	-	(2)	-
Total cash flows	44	10	44	10

The asset classified as held for sale as at 30th September 2007 is as follows:-

	RM'000
Non-Current Assets Held for Sale	2,000

NOTES TO THE INTERIM FINANCIAL REPORT**A12 Changes in Contingent Liabilities**

The contingent liabilities of the Group and the Company are as follows:-

	As at 30.09.2007 RM'000
Unsecured :-	
(i) Guarantees given by the Company to financial institutions in respect of banking facilities granted to subsidiary companies	<u>74,790</u>
(ii) Guarantees given by the Company to financial institutions in respect of hire-purchase and lease facilities granted to subsidiary companies	<u>10,296</u>

A13 Capital Commitments

	As at 30.09.2007 RM'000
Authorised and contracted for	<u>-</u>
Authorised but not contracted for	<u>11,010</u>

A14 Significant Related Party Transactions

The significant related party transactions undertaken during the quarter under review is as follows:-

The Company or its subsidiaries	Transacting Party	Nature of Transaction	RM'000
Permanis Sdn Bhd	SV Beverages Holdings Sdn Bhd	• Purchase of raw materials	21

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B1 Review of Performance**

Group revenue for the current quarter recorded an increase of 4.79% over the preceding year corresponding period attributable mainly from the beverages division.

The Group reported a profit before tax of RM3.071 million compared to RM1.918 million in the preceding period which was attributable to higher revenue derived from better market penetration in all sales channels and improvement in gross profit margin.

B2 Variation of Results Against Preceding Quarter

The current quarter's profit before tax of RM3.071 million represents a decrease of 62.07% over the preceding quarter's profit before tax of RM8.097 million. The preceding quarter profit was mainly due to the writeback of a settlement payment of a legal case.

B3 Current Year Prospects

The Group shall continue to focus on its current core business and maximise growth and profitability by focusing on the core business while exploring other synergistic new business.

Barring any unforeseen circumstances, the Directors are of the opinion that the Group's financial performance in the next financial year will continue to improve.

B4 Profit Forecast

Not applicable as no profit forecast was published.

B5 Tax Expense

	Quarter Ended		Year To Date Ended	
	30.09.07 RM'000	30.09.06 RM'000	30.09.07 RM'000	30.09.06 RM'000
Taxation comprises:-				
- Continuing operations				
- Income Tax	323	291	323	291
- Deferred Tax	500	-	500	-
	<u>823</u>	<u>291</u>	<u>823</u>	<u>291</u>
- Discontinued operation				
- Income Tax	16	-	16	-
- Deferred Tax	-	-	-	-
	<u>16</u>	<u>-</u>	<u>16</u>	<u>-</u>

The Group's effective tax rate for the current quarter is lower than the statutory tax rate mainly due to certain income not subject to tax and utilisation of tax losses.

B6 Unquoted Investments and Properties

There were no disposals of unquoted investments or properties in the financial quarter ended 30th September 2007.

B7 Quoted Investments

There were no purchases or disposals of quoted securities for the current quarter.

B8 Corporate Proposals

There was no corporate proposal announced from the date of the quarterly report to the date of this announcement.

B9 Borrowings

Details of the Group's borrowings as at 30th September 2007 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current	18,001	38,393	56,394
Non-Current	18,594	-	18,594
	<u>36,595</u>	<u>38,393</u>	<u>74,988</u>

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B10 Off Balance Sheet Financial Instruments**

- (a) A total of 57,377,835 detachable warrants were issued on 24th June 2004 in conjunction with the Rights Issue.

The warrants are constituted by a Deed Poll dated 18th March 2004. Each warrant entitles its registered holder to subscribe for one new ordinary share of RM1.00 each in the Company at a subscription price of RM1.08 per share. The expiry date for the exercise of the warrants is 23rd June 2009.

No warrants were exercised during the financial quarter. As at the date hereof, a total of 57,377,835 warrants remain in issue.

- (b) Foreign Currency Forward Contracts

The Group entered into foreign currency forward contracts to manage exposure to the currency risk for payables which are denominated in a currency other than the functional currency of the Group. The notional amount and maturity date of the foreign currency forward contracts outstanding as at 24th October 2007 are as follows:-

	Foreign Currency	Contract Amounts '000	Equivalent RM'000
Forward contracts used to	USD	2,327	8,049
hedge trade payables	Euro	1,305	5,943

The settlement dates of the above forward contracts range between three to thirty months.

As foreign currency contracts are entered into to hedge the Group's purchases in foreign currencies, the contracted rates are used to convert the foreign currency amounts into Ringgit Malaysia. Any gains or losses arising from contracts entered into as hedges of anticipated future transactions are deferred until the dates of such transactions at which time they are included in the measurement of such transactions.

Besides a marginal fee, there are no other cash requirements for these contracts.

B11 Changes in Material Litigation

There were no changes in the material litigations of the Group since the last annual balance sheet date up to the date of this report.

B12 Dividend

The Board of Directors does not recommend the payment of dividend in respect of the financial quarter ended 30th September 2007.

B13 Earnings Per Share

	Quarter Ended		Year To Date Ended	
	30.09.2007 RM'000	30.09.2006 RM'000	30.09.2007 RM'000	30.09.2006 RM'000
(a) Basic earnings per share				
Profit from continuing operations attributable to ordinary equity holders of the parent	3,071	1,627	3,071	1,627
Profit from discontinued operation attributable to ordinary equity holders of the parent	36	149	36	149
Profit attributable to ordinary equity holders of the parent	<u>3,107</u>	<u>1,776</u>	<u>3,107</u>	<u>1,776</u>
Weighted average number of ordinary shares in issue ('000)	<u>129,607</u>	<u>129,607</u>	<u>129,607</u>	<u>129,607</u>
Basic earnings per share for :	Sen	Sen	Sen	Sen
- Continuing operations	2.37	1.26	2.37	1.26
- Discontinued operation	0.03	0.11	0.03	0.11
	<u>2.40</u>	<u>1.37</u>	<u>2.40</u>	<u>1.37</u>

- (b) Diluted earnings per share

The diluted earnings per share in respect of warrants is not presented as it is anti-dilutive.

