

**C.I. HOLDINGS BERHAD**

(37918-A)

- Quarterly Report on consolidated results for the first financial quarter ended 30th September 2008

Quarterly Report on consolidated results for the first financial quarter ended 30th September 2008.  
 These figure have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30.09.2008 RM'000	Quarter Ended 30.09.2007 RM'000	Year To Date Ended 30.09.2008 RM'000	Year To Date Ended 30.09.2007 RM'000
<b>Continuing Operations</b>				
Revenue	90,512	71,156	90,512	71,156
Cost of Sales	<u>(53,167)</u>	<u>(39,248)</u>	<u>(53,167)</u>	<u>(39,248)</u>
Gross Profit	37,345	31,908	37,345	31,908
Other Operating Income	220	125	220	125
Selling and Distribution Costs	(23,186)	(20,682)	(23,186)	(20,682)
Administrative Expenses	(7,430)	(6,376)	(7,430)	(6,376)
Finance Costs	<u>(1,228)</u>	<u>(1,081)</u>	<u>(1,228)</u>	<u>(1,081)</u>
<b>Profit Before Tax</b>	5,721	3,894	5,721	3,894
Tax Expense	<u>(1,302)</u>	<u>(823)</u>	<u>(1,302)</u>	<u>(823)</u>
<b>Profit for the period from continuing operations</b>	4,419	3,071	4,419	3,071
<b>Discontinued Operation</b>				
Profit for the period	<u>-</u>	<u>32</u>	<u>-</u>	<u>32</u>
<b>Profit for the period</b>	<u>4,419</u>	<u>3,103</u>	<u>4,419</u>	<u>3,103</u>
Attributable to :				
Equity holders of the parent	4,449	3,107	4,449	3,107
Minority Interest	<u>(30)</u>	<u>(4)</u>	<u>(30)</u>	<u>(4)</u>
	<u>4,419</u>	<u>3,103</u>	<u>4,419</u>	<u>3,103</u>
	Sen	Sen	Sen	Sen
Basic earnings per share attributable to equity holders of the parent:				
- Continuing operations	3.43	2.37	3.43	2.37
- Discountinued operation	<u>-</u>	<u>0.03</u>	<u>-</u>	<u>0.03</u>
	<u>3.43</u>	<u>2.40</u>	<u>3.43</u>	<u>2.40</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 2008 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED BALANCE SHEET**

	Unaudited as at 30.09.2008 RM'000	Audited as at 30.06.2008 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	88,302	88,829
Investment Properties	3,060	3,096
Prepaid Lease Payments for Land	3,133	3,141
Intangible Assets	47,880	47,880
Other Investment	21	21
Deferred Tax Assets	3,524	3,550
	<u>145,920</u>	<u>146,517</u>
<b>Current Assets</b>		
Inventories	29,439	28,811
Trade Receivables	81,758	65,022
Other Receivables	1,543	1,569
Tax Recoverable	335	421
Deposits placed with financial institutions	9,797	6,882
Deposits, Cash and Bank Balances	6,243	10,137
	<u>129,115</u>	<u>112,842</u>
Non-Current Asset Held For Sale	5,150	5,150
	<u>134,265</u>	<u>117,992</u>
<b>TOTAL ASSETS</b>	<u><u>280,185</u></u>	<u><u>264,509</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share Capital	129,607	129,607
Reserves	(20,916)	(25,365)
	<u>108,691</u>	<u>104,242</u>
<b>Minority Interests</b>	<u>1,252</u>	<u>1,282</u>
<b>Total Equity</b>	<u>109,943</u>	<u>105,524</u>
<b>Non-Current Liabilities</b>		
Bank Borrowings	24,796	22,873
Hire Purchase and Finance Lease Creditors	7,095	8,169
Other Deferred and Non-Current Liabilities	5,859	5,672
	<u>37,750</u>	<u>36,714</u>
<b>Current Liabilities</b>		
Trade Payables	29,849	22,643
Other Payables	41,077	46,923
Hire Purchase and Finance Lease Creditors	5,182	4,955
Bank Overdrafts	621	2,732
Bank Borrowings	54,675	44,836
Taxation	1,088	182
	<u>132,492</u>	<u>122,271</u>
<b>Total Liabilities</b>	<u>170,242</u>	<u>158,985</u>
<b>EQUITY AND LIABILITIES</b>	<u><u>280,185</u></u>	<u><u>264,509</u></u>
Net assets per share (RM)	0.84	0.80

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 30th June 2008 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 ----->				Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	<----- Non-distributable ----->		Distributable Accumulated Losses RM'000			
<b>3 months period ended 30th September 2007</b>	Share Premium RM'000	Special Reserve RM'000					
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	<u>129,607</u>	<u>1,156</u>	<u>10,622</u>	<u>(48,580)</u>	<u>92,805</u>	<u>1,058</u>	<u>93,863</u>
<b>3 months period ended 30th September 2008</b>							
At 1st July 2008	129,607	1,156	-	(26,521)	104,242	1,282	105,524
Profit for the period	-	-	-	4,449	4,449	(30)	4,419
At 30th September 2008	<u>129,607</u>	<u>1,156</u>	<u>-</u>	<u>(22,072)</u>	<u>108,691</u>	<u>1,252</u>	<u>109,943</u>

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 2008 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Current Year To Date Ended 30.09.2008 RM'000	Corresponding Year To Date Ended 30.09.2007 RM'000
Profit Before Tax from:		
- Continuing operations	5,721	3,894
- Discontinued operation	-	48
Adjustments for non-cash flow:-		
Non-Cash Items	3,328	3,430
Non-Operating Items	29	(12)
Operating Profit Before Working Capital Changes	9,078	7,360
Changes in Working Capital		
Net Change in Current Assets	(17,227)	(9,674)
Net Change in Current Liabilities	1,472	10,420
Tax Paid	(195)	(243)
Cash Generated from Operating Activities	(6,872)	7,863
Retirement Benefits Paid	-	(52)
Interest Paid	(1,155)	(985)
Interest Received	51	16
Net Cash (Used in)/Generated from Operating Activities	(7,976)	6,842
Investing Activities		
Purchase of Property, Plant and Equipment	(2,665)	(16,744)
Proceeds from Sale of Property, Plant and Equipment	5	32
Uplift of fixed deposits pledged to licensed banks	85	(5,000)
Net Cash Used in Investing Activities	(2,575)	(21,712)
Financing Activities		
Drawdown of Borrowings	17,178	20,506
Repayment of Borrowings	(5,410)	(10,294)
Net Cash Generated from Financing Activities	11,768	10,212
Net Change in Cash and Cash Equivalents	1,217	(4,658)
Cash and Cash Equivalents at beginning of financial period	12,405	6,741
Cash and Cash Equivalents at end of financial period	13,622	2,083
Cash and cash equivalents carried forward consists of:-		
Fixed deposits with licensed banks	9,797	5,012
Cash and bank balances	6,243	5,433
Bank overdrafts	(621)	(3,350)
	15,419	7,095
Less: Fixed Deposits pledged to licensed bank	(1,797)	(5,012)
	13,622	2,083

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30th June 2008 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 2008. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30th June 2008.

**A2 Auditors' Report**

The auditors' report on the financial statements of the Group for the year ended 30th June 2008 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 financial quarter under review.

**A5 Nature and Amount of Changes in Estimates**

There were no significant changes in estimates of amounts reported in prior quarter that have a material impact on the current financial quarter.

**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 quarter.

**A7 Dividend Paid**

No dividend had been paid for the current financial quarter ended 30th September 2008.

**A8 Segmental Reporting**

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

	Beverages RM'000	Tapware and Sanitary ware RM'000	Investment holdings RM'000	Eliminations RM'000	Consolidated RM'000
External revenue	79,895	10,566	51	-	90,512
Inter-segment revenue	-	-	356	(356)	-
Segment revenue	<u>79,895</u>	<u>10,566</u>	<u>407</u>	<u>(356)</u>	<u>90,512</u>

**Results**

Profit from operations	6,949
Finance costs	(1,228)
Profit before tax	<u>5,721</u>
Taxation	(1,302)
Profit for the period	<u><u>4,419</u></u>

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

**NOTES TO THE INTERIM FINANCIAL REPORT**
**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 2008.

**A10 Subsequent Material Events**

The Group through Permanis Sandilands Sdn Bhd (17296-P), a wholly-owned subsidiary, had on 21st October 2008 acquired two (2) shares of RM1.00 each representing the entire equity interest in Permanis (Singapore) Sdn Bhd (835762-T), for a total cash consideration of RM2.00 and principally engaged in the marketing and distribution channels of its food and beverages products.

**A11 Changes in the Composition of the Group**
**Acquisition of Companies**

On 15th September 2008, the Group through its wholly-owned subsidiary, Permanis Sandilands Sdn Bhd acquired the entire two (2) ordinary shares of RM1.00 each in Permanis (Sabah) Sdn Bhd (835579-W) for a total cash consideration of RM2.00 and principally engaged in the marketing and distribution channels of its foods and beverages products.

**A12 Discontinued Operation**

Discontinued operation in the previous year corresponding period relate to the disposal of the nine (9) parcels of the freehold lands which represent the Group quarries activities. The disposal was completed on 18th December 2007.

The revenue, results and cashflows of the quarries division for the financial period ended 30th September 2007 were as follows:-

	3 months 30.09.2007 RM'000
Revenue	<u>175</u>
Profit before tax	48
Income tax expenses	<u>(16)</u>
Profit for the period from discontinued operation	<u>32</u>
Cash flows from operating activities	46
Cash flows from investing activities	-
Cash flows from financing activities	<u>(2)</u>
Total cash flows	<u>44</u>

**A13 Changes in Contingent Liabilities**

The contingent liabilities of the Company are as follows:-

	As at 30.09.2008 RM'000
Unsecured :- Guarantees given by the Company to financial institutions in respect of:-	
(i) Banking facilities granted to subsidiaries	<u>57,843</u>
(ii) Hire-purchase and lease facilities granted to subsidiaries	<u>5,136</u>



**NOTES TO THE INTERIM FINANCIAL REPORT**

**A14 Capital Commitments**

Capital expenditure in respect of purchase of property, plant and equipment:-

	As at 30.09.2008 RM'000
Approved but not contracted for	<u><u>-</u></u>
Contracted but not provided	<u><u>4,606</u></u>

**A15 Significant Related Party Transactions**

The significant related party transactions undertaken during the current financial quarter under review are 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 • Royalty payable	3 111

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

Group revenue for the current financial quarter recorded an increase of 27.2% over the preceding year corresponding period mainly from improved performance from all divisions.

The Group reported a profit before tax of RM5.72 million compared to RM3.89 million in the preceding year corresponding period. The higher profit before tax was mainly contributed to increase in festive sales and prudent cost management from the beverages division.

**B2 Variation of Results Against Preceding Quarter**

The current quarter's profit before tax of RM5.72 million represents an increase of 76.0% over the preceding quarter's profit before tax of RM3.25 million. The increase was mainly attributable to higher revenue from all the divisions.

**B3 Current Year Prospects**

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

Barring any unforeseen circumstances, the Directors are of the opinion that the Group's financial performance for the financial year ending 30th June 2009 will continue to improve.

**B4 Profit Forecast**

Not applicable as no profit forecast was published.

**B5 Tax Expense**

	Quarter Ended		Year To Date Ended	
	30.09.2008	30.09.2007	30.09.2008	30.09.2007
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:-				
- Continuing operations				
- Income Tax	1,187	323	1,187	323
- Deferred Tax	115	500	115	500
	<u>1,302</u>	<u>823</u>	<u>1,302</u>	<u>823</u>
- Discontinued operation				
- Income Tax	-	16	-	16
- Deferred Tax	-	-	-	-
	<u>-</u>	<u>16</u>	<u>-</u>	<u>16</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 purchases or sales of properties for the current financial quarter.

**B7 Quoted Investments**

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

**B8 Corporate Proposals**

There were no corporate proposals announced or pending completion as at the date of this quarterly report.





**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B9 Borrowings**

Details of the Group's borrowings as at 30th September 2008 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current	14,679	40,617	55,296
Non-Current	24,796	-	24,796
	<u>39,475</u>	<u>40,617</u>	<u>80,092</u>

**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 current 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 23rd October 2008 are as follows:-

	Foreign Currency	Contract Amounts '000	Equivalent RM'000
Forward contracts used to	EURO	500	2,256
hedge trade payables	USD	600	2,000

The settlement dates of the above forward contracts range between three to fifteen 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 do not recommend the payment of any interim dividend in respect of the current financial quarter ended 30th September 2008.

**C.I. HOLDINGS BERHAD**

(37918-A)

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**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B13 Earnings Per Share**

	Quarter Ended		Year To Date Ended	
	30.09.2008	30.09.2007	30.09.2008	30.09.2007
(a) Basic earnings per share	RM'000	RM'000	RM'000	RM'000
Profit from continuing operations attributable to ordinary equity holders of the parent	4,449	3,071	4,449	3,071
Profit from discontinued operation attributable to ordinary equity holders of the parent	-	36	-	36
Profit attributable to ordinary equity holders of the parent	4,449	3,107	4,449	3,107
Weighted average number of ordinary shares in issue ('000)	129,607	129,607	129,607	129,607
Basic earnings per share for :	Sen	Sen	Sen	Sen
- Continuing operations	3.43	2.37	3.43	2.37
- Discontinued operation	-	0.03	-	0.03
	3.43	2.40	3.43	2.40

## (b) Diluted earnings per share

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