

C.I. HOLDINGS BERHAD

(37918-A)

- Quarterly Report on consolidated results for the third financial quarter ended 31st March 2008

Quarterly Report on consolidated results for the third financial quarter ended 31st March 2008.
These figure have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 31.03.2008 RM'000	Quarter Ended 31.03.2007 RM'000	Year To Date Ended 31.03.2008 RM'000	Year To Date Ended 31.03.2007 RM'000
Continuing Operations				
Revenue	79,311	67,282	220,449	199,223
Cost of Sales	<u>(46,548)</u>	<u>(38,121)</u>	<u>(124,988)</u>	<u>(114,439)</u>
Gross Profit	32,763	29,161	95,461	84,784
Other Operating Income	330	783	562	1,634
Selling and Distribution Costs	(19,587)	(20,227)	(59,724)	(58,960)
Administrative Expenses	(8,022)	(6,943)	(20,326)	(18,382)
Finance Costs	<u>(1,335)</u>	<u>(1,206)</u>	<u>(3,664)</u>	<u>(3,573)</u>
Profit Before Tax	4,149	1,568	12,309	5,503
Income Tax Expense	<u>(981)</u>	<u>(329)</u>	<u>(2,786)</u>	<u>(957)</u>
Profit for the period from continuing operations	3,168	1,239	9,523	4,546
Discontinued Operation				
Profit/(Loss) for the period from discontinued operation	<u>-</u>	<u>333</u>	<u>(14)</u>	<u>260</u>
Profit for the period	<u>3,168</u>	<u>1,572</u>	<u>9,509</u>	<u>4,806</u>
Attributable to :				
Equity holders of the parent	3,175	1,573	9,520	4,807
Minority Interest	<u>(7)</u>	<u>(1)</u>	<u>(11)</u>	<u>(1)</u>
	<u>3,168</u>	<u>1,572</u>	<u>9,509</u>	<u>4,806</u>
	Sen	Sen	Sen	Sen
Basic earnings per share attributable to equity holders of the parent:				
- Continuing operations	2.45	0.96	7.36	3.51
- Discontinued operation	<u>-</u>	<u>0.26</u>	<u>(0.01)</u>	<u>0.20</u>
	<u>2.45</u>	<u>1.22</u>	<u>7.35</u>	<u>3.71</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 31.03.2008 RM'000	Restated Audited as at 30.06.2007 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	93,183	65,757
Investment Properties	6,435	6,803
Prepaid Lease Payments	2,722	2,172
Other Investment	21	21
Intangible Assets	47,720	47,548
Deferred Tax Assets	1,344	3,123
	<u>151,425</u>	<u>125,424</u>
Current Assets		
Inventories	23,227	19,429
Trade Receivables	68,077	56,912
Other Receivables	1,894	11,478
Tax Recoverable	83	122
Deposits placed with approved institutional trust account	1,737	1,587
Deposits, Cash and Bank Balances	10,077	8,693
	<u>105,095</u>	<u>98,221</u>
Non-Current Assets Held For Sale	350	2,000
	<u>105,445</u>	<u>100,221</u>
TOTAL ASSETS	<u><u>256,870</u></u>	<u><u>225,645</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	129,607	129,607
Reserves	(30,389)	(39,909)
	<u>99,218</u>	<u>89,698</u>
Minority Interests	1,374	1,062
Total Equity	<u>100,592</u>	<u>90,760</u>
Non-Current Liabilities		
Bank Borrowings	23,810	10,221
Hire Purchase and Finance Lease Creditors	8,017	6,862
Other Deferred and Non-Current Liabilities	3,303	4,290
	<u>35,130</u>	<u>21,373</u>
Current Liabilities		
Trade Payables	20,529	22,376
Other Payables	35,918	33,733
Hire Purchase and Finance Lease Creditors	5,612	3,736
Bank Overdrafts	2,436	1,940
Bank Borrowings	54,708	51,216
Taxation	1,945	511
	<u>121,148</u>	<u>113,512</u>
Total Liabilities	<u>156,278</u>	<u>134,885</u>
EQUITY AND LIABILITIES	<u><u>256,870</u></u>	<u><u>225,645</u></u>
Net assets per share (RM)	0.78	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.

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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	Share Premium RM'000	Non-distributable Reserve on Consolidation RM'000	Special Reserve RM'000	Distributable Accumulated Losses RM'000			
9 months period ended 31st March 2007								
At 1st July 2006	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 period	-	-	-	-	4,807	4,807	(1)	4,806
At 31st March 2007	129,607	1,156	-	10,622	(54,748)	86,637	1,079	87,716
9 months period ended 31st March 2008								
At 1st July 2007	129,607	1,156	-	10,622	(51,687)	89,698	1,062	90,760
Acquisition of subsidiaries	-	-	-	-	-	-	323	323
Profit for the period	-	-	-	-	9,520	9,520	(11)	9,509
At 31st March 2008	129,607	1,156	-	10,622	(42,167)	99,218	1,374	100,592

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.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Year To Date Ended 31.03.2008 RM'000	Corresponding Year To Date Ended 31.03.2007 RM'000
Profit Before Tax from:		
- Continuing operations	12,309	5,503
- Discontinued operation	3	269
Adjustments for non-cash flow:-		
Non-Cash Items	10,495	8,310
Non-Operating Items	(153)	195
Operating Profit Before Working Capital Changes	22,654	14,277
Changes in Working Capital		
Net Change in Current Assets	(3,850)	(13,401)
Net Change in Current Liabilities	4,610	5,434
Tax Refund/(Paid)	(878)	1,050
Cash Generated from Operating Activities	22,536	7,360
Retirement Benefits Paid	(74)	-
Interest Paid	(3,330)	(3,616)
Interest Received	117	3
Net Cash Generated from Operating Activities	19,249	3,747
Investing Activities		
Purchase of Property, Plant and Equipment	(29,128)	(16,181)
Proceeds from Sale of Property, Plant and Equipment	2,278	101
Acquisition of subsidiaries, net of cash and cash equivalent	(4,613)	-
Disposal of subsidiary, net of cash and cash equivalent	-	(4)
Net Cash Used in Investing Activities	(31,463)	(16,084)
Financing Activities		
Drawdown of Borrowings	45,449	52,938
Repayment of Borrowings	(32,347)	(43,724)
Net Cash From Financing Activities	13,102	9,214
Net Change in Cash and Cash Equivalents	888	(3,123)
Cash and Cash Equivalents at beginning of financial period	6,741	3,591
Cash and Cash Equivalents at end of financial period	7,629	468
Cash and cash equivalents carried forward consists of:-		
Fixed deposits with licensed banks	6,642	686
Cash and bank balances	3,435	1,650
Bank overdrafts	(2,436)	(1,182)
	7,641	1,154
Less: Fixed Deposits pledged to licensed bank	(12)	(686)
	7,629	468

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 at 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 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.

NOTES TO THE INTERIM FINANCIAL REPORT**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 and financial year to date.

A7 Dividend Paid

No dividend had been paid for the current financial quarter ended 31st March 2008.

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	Eliminations RM'000	Consolidated RM'000
Revenue from continuing operations					
External revenue	71,681	7,630	-	-	79,311
Inter-segment revenue	-	-	300	(300)	-
Segment revenue	<u>71,681</u>	<u>7,630</u>	<u>300</u>	<u>(300)</u>	<u>79,311</u>
Results					
Profit from operations					5,484
Finance costs					(1,335)
Profit before tax					<u>4,149</u>
Taxation					(981)
Profit for the period					<u><u>3,168</u></u>

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 financial quarter ended 31st March 2008 up to the date of this report.

A11 Changes in the Composition of the Group

On 4th February 2008, the Company through its wholly-owned subsidiary, Doe Industries Sdn Bhd ("Doe"), entered into a Share Sale Agreement with Khoo Soon Kwee @Francis, Ng HweeLon and Orient Vector Sdn Bhd to acquire 13,519,800 ordinary shares of RM1.00 each in Suhuwang Sdn Bhd ("Suhuwang") and 225,000 ordinary shares of RM1.00 each in Potex Sdn Bhd ("Potex") for a total cash consideration of RM3.0 million ("the Acquisition").

As a result of the Acquisition, Suhuwang and Potex both became 90%-owned subsidiaries of Doe, which in turn are subsidiaries of the Company. Suhuwang's principal activities are manufacturing and trading of sanitary wares and related products while Potex is principally engaged in the sales of sanitary ware, fittings and accessories. On 18th March 2008, Suhuwang changed its name to Potex Industries Sdn Bhd.

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 was completed on 11th June 2007 while the disposal of the 9 parcels of freehold lands was completed on 18th December 2007.

NOTES TO THE INTERIM FINANCIAL REPORT

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

	Quarter Ended		Year To Date Ended	
	31.03.08 RM'000	31.03.07 RM'000	31.03.08 RM'000	31.03.07 RM'000
Revenue	-	310	219	864
Profit before tax	-	342	3	269
Income tax expenses	-	(9)	(17)	(9)
Profit/(Loss) for the period from discontinued operation	-	333	(14)	260

	Quarter Ended		Year To Date Ended	
	31.03.08 RM'000	31.03.07 RM'000	31.03.08 RM'000	31.03.07 RM'000
Cash flows from operating activities	-	(88)	(1,928)	56
Cash flows from investing activities	-	88	2,000	(54)
Cash flows from financing activities	-	-	-	-
Total cash flows	-	-	72	2

A12 Changes in Contingent Liabilities

The contingent liabilities of the Company are as follows:-

	As at 31.03.08 RM'000
Unsecured :-	
(i) Guarantees given by the Company to financial institutions in respect of banking facilities granted to subsidiary companies	55,617
(ii) Guarantees given by the Company to financial institutions in respect of hire-purchase and lease facilities granted to subsidiary companies	13,598

A13 Capital Commitments

	As at 31.03.08 RM'000
Authorised and contracted for	-
Authorised but not contracted for	2,302

A14 Significant Related Party Transactions

The significant related party transactions undertaken during the current financial 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 • Royalty payable	666 137

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 17.88% over the preceding year corresponding period attributable mainly from the beverages and tapwares divisions.

The Group reported a profit before tax of RM4.15 million compared to RM1.57 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 from the beverages division.

B2 Variation of Results Against Preceding Quarter

The current quarter's profit before tax of RM4.15 million represents a slight decrease of 2.74% over the preceding quarter's profit before tax of RM4.27 million. The decrease was mainly attributable to an increase in operating expenses from the beverages division.

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 2008 will continue to improve.

B4 Profit Forecast

Not applicable as no profit forecast was published.

B5 Tax Expense

	Quarter Ended		Year To Date Ended	
	31.03.08	31.03.07	31.03.08	31.03.07
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:-				
- Continuing operations				
- Income Tax	(87)	329	629	957
- Deferred Tax	1,068	-	2,157	-
	<u>981</u>	<u>329</u>	<u>2,786</u>	<u>957</u>
- Discontinued operation				
- Income Tax	-	9	17	9
- Deferred Tax	-	-	-	-
	<u>-</u>	<u>9</u>	<u>17</u>	<u>9</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 31st March 2008 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current	27,739	29,405	57,144
Non-Current	23,810	-	23,810
	<u>51,549</u>	<u>29,405</u>	<u>80,954</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 16th April 2008 are as follows:-

	Foreign Currency	Contract Amounts '000	Equivalent RM'000
Forward contracts used to	EURO	750	3,386
hedge trade payables	USD	100	324

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 does not recommend the payment of dividend in respect of the financial quarter ended 31st March 2008.

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

	Quarter Ended		Year To Date Ended	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
(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	3,175	1,240	9,534	4,547
Profit/(Loss) from discontinued operation attributable to ordinary equity holders of the parent	-	333	(14)	260
Profit attributable to ordinary equity holders of the parent	<u>3,175</u>	<u>1,573</u>	<u>9,520</u>	<u>4,807</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	2.45	0.96	7.36	3.51
- Discontinued operation	-	0.26	(0.01)	0.20
	<u>2.45</u>	<u>1.22</u>	<u>7.35</u>	<u>3.71</u>

(b) Diluted earnings per share

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