

Quarterly report on consolidated results for the second financial quarter ended 31st December 2016.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 31.12.2016 RM'000	Quarter Ended 31.12.2015 RM'000	Year To Date Ended 31.12.2016 RM'000	Year To Date Ended 31.12.2015 RM'000
Revenue	578,784	346,535	939,005	634,964
Cost of Sales	<u>(538,700)</u>	<u>(324,289)</u>	<u>(875,155)</u>	<u>(580,702)</u>
Gross Profit	40,084	22,246	63,850	54,262
Other Operating Income	4,535	1,721	7,163	6,827
Selling and Distribution Costs	(4,849)	(5,570)	(8,208)	(8,412)
Administrative Expenses	(23,144)	(7,943)	(37,227)	(23,082)
Finance Costs	<u>(1,632)</u>	<u>(195)</u>	<u>(2,507)</u>	<u>(317)</u>
Profit Before Tax	14,994	10,259	23,071	29,278
Tax Expense	<u>(5,899)</u>	<u>(2,676)</u>	<u>(6,775)</u>	<u>(7,893)</u>
Profit for the Period	9,095	7,583	16,296	21,385
Other Comprehensive Income, net of tax	<u>10</u>	<u>-</u>	<u>(15)</u>	<u>-</u>
Total Comprehensive Income for the Period	<u>9,105</u>	<u>7,583</u>	<u>16,281</u>	<u>21,385</u>
Profit Attributable to :				
Equity holders of the Company	7,463	6,415	12,477	16,483
Non-Controlling Interest	<u>1,632</u>	<u>1,168</u>	<u>3,819</u>	<u>4,902</u>
	<u>9,095</u>	<u>7,583</u>	<u>16,296</u>	<u>21,385</u>
Basic earnings per share attributable to equity holders of the Company (sen)	<u>4.61</u>	<u>3.96</u>	<u>7.70</u>	<u>10.17</u>
Total Comprehensive Income Attributable to:				
Equity holders of the Company	7,469	6,415	12,468	16,483
Non-Controlling Interest	<u>1,636</u>	<u>1,168</u>	<u>3,813</u>	<u>4,902</u>
	<u>9,105</u>	<u>7,583</u>	<u>16,281</u>	<u>21,385</u>

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 30th June 2016 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited as at 31.12.2016 RM'000	Audited as at 30.06.2016 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	53,885	52,821
Intangible Assets	11,261	11,261
Other Investments	10	10
Prepayment	1,900	1,600
Deferred Tax Assets	377	377
	<u>67,433</u>	<u>66,069</u>
Current Assets		
Inventories	43,774	44,227
Trade Receivables	309,584	170,412
Other Receivables	97,034	66,572
Current Tax Assets	399	331
Derivative Financial Assets	-	3,212
Deposits Placed with Financial Institutions	28,930	10,890
Cash and Bank Balances	45,725	60,152
	<u>525,446</u>	<u>355,796</u>
TOTAL ASSETS	<u>592,879</u>	<u>421,865</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share Capital	81,000	81,000
Reserves	97,248	92,880
	<u>178,248</u>	<u>173,880</u>
Non-Controlling Interests	<u>22,504</u>	<u>18,691</u>
Total Equity	<u>200,752</u>	<u>192,571</u>
Non-Current Liabilities		
Long Term Loans	6,550	6,124
Hire Purchase and Lease Creditors	4,404	2,054
Retirement Benefit Obligations	884	802
Deferred Tax Liabilities	1,750	3,725
	<u>13,588</u>	<u>12,705</u>
Current Liabilities		
Trade Payables	88,409	55,361
Other Payables	61,140	28,942
Derivative Financial Liabilities	14,595	1,979
Hire Purchase and Lease Creditors	1,228	642
Bank Borrowings	206,370	126,047
Current Tax Liabilities	6,797	3,618
	<u>378,539</u>	<u>216,589</u>
Total Liabilities	<u>392,127</u>	<u>229,294</u>
TOTAL EQUITY AND LIABILITIES	<u>592,879</u>	<u>421,865</u>
	-	-
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.10	1.07

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 30th June 2016 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<----- Attributable to owners of the Company ----->						
	<---- Non-Distributable ---->		Foreign	Distributable	Total	Non-Controlling Interest	Total Equity
	Share Capital	Share Premium	Currency Translation Reserve	Retained Profits			
6 months ended 31st December 2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1st July 2016	81,000	14,147	(20)	78,753	173,880	18,691	192,571
Foreign Currency Translation Profit For The Period	-	-	-	(9)	(9)	(6)	(15)
Total Comprehensive Income	-	-	-	12,468	12,468	3,813	16,281
Dividend Paid	-	-	-	(8,100)	(8,100)	-	(8,100)
At 31st December 2016	<u>81,000</u>	<u>14,147</u>	<u>(20)</u>	<u>83,121</u>	<u>178,248</u>	<u>22,504</u>	<u>200,752</u>
6 months ended 31st December 2015							
At 1st July 2015	81,000	14,147	-	52,143	147,290	8,562	155,852
Profit For The Period	-	-	-	16,483	16,483	4,902	21,385
At 31st December 2015	<u>81,000</u>	<u>14,147</u>	<u>-</u>	<u>68,626</u>	<u>163,773</u>	<u>13,464</u>	<u>177,237</u>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 30th June 2016 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Current Year To Date Ended 31.12.2016 RM'000	Corresponding Year To Date Ended 31.12.2015 RM'000
Profit Before Taxation	23,071	29,278
Adjustment for :-		
Non-Cash Items	1,905	1,694
Non-Operating Items	16,264	(2,548)
Operating Profit Before Working Capital Changes	<u>41,240</u>	<u>28,424</u>
Changes in Working Capital		
Net Change in Current Assets	(169,480)	(151,592)
Net Change in Current Liabilities	65,246	45,607
Tax Paid	(5,638)	(1,166)
Cash Used In Operating Activities	<u>(68,632)</u>	<u>(78,727)</u>
Interest Received	609	101
Net Cash Used In Operating Activities	<u>(68,023)</u>	<u>(78,626)</u>
Investing Activities		
Purchase of Property, Plant and Equipment	(4,121)	(3,777)
Proceeds from Sale of Property, Plant and Equipment	116	69
Uplifts of Fixed Deposit	-	5,010
Net Cash Used In Investing Activities	<u>(4,005)</u>	<u>1,302</u>
Financing Activities		
Dividend Paid	(8,100)	-
Drawdown of Bank Borrowings	247,433	153,402
Repayment of Bank Borrowings	(166,684)	(88,293)
Drawdown of Hire Purchase and Lease Creditors	3,309	201
Repayment of Hire Purchase and Lease Creditors	(373)	(125)
Net Cash From Financing Activities	<u>75,585</u>	<u>65,185</u>
Net Change in Cash and Cash Equivalents	3,557	(12,139)
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	(59)	-
Cash and Cash Equivalents at beginning of financial year	65,512	47,769
Cash and Cash Equivalents at end of financial period	<u><u>69,010</u></u>	<u><u>35,630</u></u>
Cash and cash equivalents carried forward consists of:-		
Deposits Placed with Financial Institutions	28,930	7,659
Cash and Bank Balances	45,725	28,468
Bank Overdraft	(115)	(497)
	<u>74,540</u>	<u>35,630</u>
Less: Fixed Deposits With Maturity Periods More Than 3 Months	(5,530)	-
	<u><u>69,010</u></u>	<u><u>35,630</u></u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30th June 2016 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A1 Basis of Preparation

The condensed consolidated interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Malaysia Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30th June 2016. The explanatory notes attached to the condensed consolidated 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 2016.

A2 Audit Report of the Preceding Annual Financial Statements

The auditors' report on the financial statements of the Group for the financial year ended 30th June 2016 was not subject to any qualification.

A3 Seasonal or Cyclical Factors

The Group's business operations are affected by macroeconomic cycles.

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

A final single-tier dividend of 5 sen per ordinary share in respect of financial year ended 30th June 2016 amounting to RM8,100,000 was paid on 11th November 2016.

A8 Segment Information

For management purposes, the Group is organized into three major business segments, namely edible oil products, tapware and sanitary ware and investments holdings/others. Inter-segment transactions are entered into in the normal course of business and are based on negotiated and mutually agreed terms.

	3 months ended 31st December 2016			
	Edible oil products RM'000	Tap-ware and sanitary ware RM'000	Investment holdings/Others RM'000	Total RM'000
Segments revenues and results				
Revenue	570,557	8,227	-	578,784
Operating Profit/(Loss)	17,514	(138)	(750)	16,626
Profit/(Loss) Before Tax	15,933	(183)	(756)	14,994
Segments assets				
Total Assets	533,617	38,662	20,600	592,879

	3 months ended 31st December 2015			
	Edible oil products RM'000	Tap-ware and sanitary ware RM'000	Investment holdings/Others RM'000	Total RM'000
Segments revenues and results				
Revenue	335,861	10,674	-	346,535
Operating Profit/(Loss)	11,210	192	(948)	10,454
Profit/(Loss) Before Tax	11,051	161	(953)	10,259
Segments assets				
Total Assets	343,939	40,324	3,807	388,070

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A9 Property, Plant and Equipment

The valuations of land and buildings have been brought forward, without amendment from the annual financial report for the financial year ended 30th June 2016.

A10 Subsequent Material Events

As at the date of this report, there was no material event subsequent to the balance sheet date that affect the results of the Group for the financial year to-date.

A11 Changes in the Composition of the Group

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

A12 Changes in Contingent Liabilities

The contingent liabilities of the Company are as follows:-

	As at 31.12.2016 RM'000
Unsecured :-	
Guarantees given by the Company to financial institutions in respect of:-	
(i) Banking facilities granted to subsidiaries	<u>212,920</u>
(ii) Hire purchase and lease facilities granted to subsidiaries	<u>-</u>

A13 Capital Commitments

	As at 31.12.2016 RM'000
Authorised and contracted for	<u>5,092</u>
Authorised but not contracted for	<u>7,400</u>

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

The Group performance for the quarter under review against the corresponding quarter of the previous financial year is tabled below:-

Description	2nd Qtr 2017	2nd Qtr 2016	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	578,784	346,535	232,249	67%
Profit before tax	14,994	10,259	4,735	46%
Profit after tax	9,095	7,583	1,512	20%

For the current quarter, the Group recorded revenue of RM578.78 million, an increase of 67% compared to revenue of RM346.54 million recorded in the correspondence quarter last year. The higher revenue for the current quarter was mainly due to increased sales in the number of full container loads (FCLs) exported coupled with higher prices. Gross and net margins however decreased due to lower shipments to higher margin countries as compared to corresponding quarter last year and an increase in unrealised forex loss.

B2 Variation of Results Against Preceding Quarter

Description	2nd Qtr 2017	1st Qtr 2017	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	578,784	360,220	218,564	61%
Profit before tax	14,994	8,077	6,917	86%
Profit after tax	9,095	7,201	1,894	26%

For the current quarter, the Group posted higher revenue as compared to the preceding quarter mainly due to increased sales in the number of FCLs shipped and higher prices. Gross and net margins however decreased due to lower shipments to higher margin countries as compared to the preceding quarter.

B3 Current Year Prospects

The Group will continue with its expansion plans for revenue growth for its edible oil operations and with smart partnership tie-up with property developers for the tap-ware and sanitary ware divisions to enhance shareholders' value .

B4 Profit Forecast

Not applicable as no profit forecast was published.

B5 Tax Expense

Taxation for continuing operations comprises:

	Quarter Ended		Year To Date Ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:-				
- Income Tax	6,344	1,452	8,749	6,383
- Deferred Tax	(445)	1,224	(1,974)	1,510
	<u>5,899</u>	<u>2,676</u>	<u>6,775</u>	<u>7,893</u>

The Group's effective tax rate for the current quarter is higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.

ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
B6 Corporate Proposal

There were no new corporate proposals during the current financial quarter under review.

B7 Bank Borrowings

Details of the Group's bank borrowings as at 31st December 2016 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current	206,370	-	206,370
Non-Current	6,550	-	6,550
	<u>212,920</u>	<u>-</u>	<u>212,920</u>

B8 Derivative Financial Instruments

The derivative forward currency contracts were entered into with the objective of managing the Group's exposure to currency risk for receivables which are denominated in a currency other than the functional currency of the Group.

The derivatives below are initially recognised at fair value on the dates the derivative contracts are entered into and are subsequently re-measured at fair value through profit and loss to the financial statements. The resulting gain or loss from re-measurement is recognised in profit or loss to the financial statements.

The details of the foreign currency forward contracts are as follows:-

Type of Derivatives	Quarter Ended	
	31.12.2016 RM'000	31.12.2015 RM'000
Forward Contracts		
Contract/Notional Value	383,840	139,715
Fair Value	(14,595)	(6,876)

B9 Material Litigation

There were no material litigations of the Group since the previous quarterly report date up to the date of this report.

B10 Dividend

The Board of Directors do not recommend any dividend for the period ended 31st December 2016.

B11 Earnings Per Share

	Quarter Ended		Year To Date Ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Profit attributable to equity holders of the Company (RM'000)	7,463	6,415	12,477	16,483
Weighted average number of ordinary shares in issue ('000)	162,000	162,000	162,000	162,000
Basic earnings per share (sen)	4.61	3.96	7.70	10.17

B12 Comparative Figures

Certain comparative figures have been reclassified to conform with the current quarter's presentation.

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

PART C - DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

C1 Total retained profits/(accumulated losses) as at 31st December 2016 the end of the reporting period may be analysed as follows:

	As at 31.12.2016 RM'000
Total Retained Profits/(Accumulated Losses) of C.I. Holdings Berhad and its subsidiaries:	
- Realised	(54,309)
- Unrealised	<u>3,982</u>
	(50,327)
Less: Consolidation Adjustments	<u>133,448</u>
Total Group Retained Profits as per Consolidation Accounts	<u><u>83,121</u></u>