

CITRA NUSA HOLDINGS BERHAD (Formerly known as "CNI Holdings Berhad")
(198901004452)(181758-A)

(Incorporated in Malaysia under the Companies Act, 1965)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		2021	2020	2021	2020
		CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30/06/2021	30/06/2020	30/06/2021	30/06/2020
		RM'000	RM'000	RM'000	RM'000
Revenue	B1	18,209	16,486	36,265	32,654
Direct operating costs		(8,439)	(6,877)	(16,183)	(15,454)
Gross profit		9,770	9,609	20,082	17,200
Other income		733	382	950	890
Operating costs		(10,212)	(9,747)	(20,478)	(18,590)
Finance costs		(113)	(103)	(222)	(222)
Share of results of an associate		-	-	-	-
Profit/(Loss) before taxation	B2	178	141	332	(722)
Taxation	B5	(171)	(125)	(321)	(262)
Profit/(Loss) for the financial period		7	16	11	(984)
Other comprehensive income		56	(8)	13	152
Total comprehensive income for the financial period		63	8	24	(832)
Profit/(Loss) attributable to:					
Owners of the Company		(63)	105	122	(785)
Non-controlling interest		70	(89)	(111)	(199)
		7	16	11	(984)
Total comprehensive income attributable to:					
Owners of the Company		(7)	97	135	(633)
Non-controlling interest		70	(89)	(111)	(199)
		63	8	24	(832)
Weighted average number of shares in issue ('000)		720,000	712,905	720,000	712,905
Earnings/(loss) per share (sen) - basic	B10	(0.01)	0.01	0.02	(0.11)
- diluted	B10	(0.01)	0.01	0.02	(0.11)

Note 1:

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Unaudited	Audited
Note	AS AT 30/06/2021	AS AT 31/12/2020
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	32,761	33,821
Investment properties	5,019	2,424
Intangible asset	1,448	831
Other Investment	500	500
Deferred tax asset	535	550
Investment in preference shares	2,311	2,311
Trade receivables	0	2,393
	42,574	42,830
Current Assets		
Investment in preference shares	996	1,047
Inventories	15,177	13,649
Trade receivables	6,631	7,697
Other receivables, deposits and prepayments	2,126	2,716
Tax recoverable	121	152
Short-term investment	8,972	9,195
Cash and cash equivalents	9,681	9,133
	43,704	43,589
TOTAL ASSETS	86,278	86,419
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	72,000	72,000
Treasury shares	-	(1,725)
Exchange translation reserve	43	30
Legal capital reserve	178	178
Accumulated Loss	(1,204)	(1,326)
Total equity attributable to the Owners of the Company	71,017	69,157
Non-controlling interest	1,322	1,433
Total Equity	72,339	70,590
Non-current Liability		
Lease liabilities	B7 1,037	1,135
	1,037	1,135
Current Liabilities		
Trade payables	1,654	3,099
Other payables, deposits and accruals	10,088	10,388
Lease liabilities	B7 1,160	1,194
Tax Payable	0	13
	12,902	14,694
Total Liabilities	13,939	15,829
TOTAL EQUITY AND LIABILITIES	86,278	86,419
Net assets per share attributable to owners of the Company (RM)	0.10	0.10

Note:

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

CITRA NUSA HOLDINGS BERHAD (Formerly known as "CNI Holdings Berhad")
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

	Attributable to the Owners of the Company				Distributable Retained Earnings/ (Accumulated loss)	Non-Controlling interest	Total
	Non-distributable		Exchange translation				
	Share Capital	Legal capital reserve	Treasury Shares	reserve			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as of 1 January 2021	72,000	178	(1,725)	30	(1,326)	1,433	70,590
Profit/(Loss) for the period	-	-	-	-	122	(111)	11
Other comprehensive income							
Foreign currency translation	-	-	-	13	-	-	13
Transactions with Owners of the Company							
Disposal of treasury shares	-	-	1,725	-	-	-	1,725
Total transactions with Owners of the Company	-	-	1,725	-	-	-	1,725
Balance as of 30 June 2021	72,000	178	-	43	(1,204)	1,322	72,339

	Attributable to the Owners of the Company				Distributable Retained Earnings/ (Accumulated loss)	Non-Controlling interest	Total
	Non-distributable		Exchange translation				
	Share Capital	Legal capital reserve	Treasury Shares	reserve			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as of 1 January 2020	72,000	178	(1,725)	(128)	(1,910)	1,545	69,960
Loss for the period	-	-	-	-	(785)	(199)	(984)
Other comprehensive income							
Foreign currency translation	-	-	-	152	-	-	152
Balance as of 30 June 2020	72,000	178	(1,725)	24	(2,695)	1,346	69,128

Note:

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

	6 Months Ended 30/06/2021 RM'000	6 Months Ended 30/06/2020 RM'000
Cash Flows from Operating Activities		
Profit/(Loss) before tax	332	(722)
Adjustment for:		
Amortisation of intangible assets	134	65
Depreciation of property, plant and equipment	982	1,069
Interest expenses	222	222
Interest income	(103)	(161)
Inventories written down	(27)	(9)
Property, plant and equipment written off	10	-
Provision of retirement benefit expense	-	27
Loss on disposal of treasury shares	(172)	-
Unrealised gain on foreign exchange currency	(5)	(243)
	1,373	248
Operating profit before working capital changes	1,373	248
Inventories	(1,555)	(876)
Receivables	1,459	1,811
Payables	(1,322)	1,158
	(45)	2,341
Cash (used in)/generated from operations	(45)	2,341
Interest paid	(222)	(222)
Interest received	103	161
Tax paid	(288)	-
Tax refund	-	96
	(452)	2,376
Net cash (used in)/generated from operating activities	(452)	2,376
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(180)	(337)
Purchase of intangible assets	(751)	(215)
Proceeds from disposal of property, plant and equipment	102	-
Proceeds from disposal of treasury shares	1,725	-
Withdrawal/(Placement) of short-term investments	223	(66)
	1,119	(618)
Net cash used in investing activities	1,119	(618)
Cash Flows from Financing Activity		
Repayment of lease liabilities, representing net cash used in financing activities	(132)	(238)
	535	1,520
Net Increase in Cash and Cash Equivalents	535	1,520
Foreign exchange differences	13	152
Cash and Cash Equivalents at beginning of period	9,133	8,569
	9,681	10,241
Cash and Cash Equivalents at end of period	9,681	10,241
Cash and Cash Equivalents at end of period comprise of the followings:-		
Cash and bank balances	9,681	10,241
	9,681	10,241

Note :

The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A2. Significant Accounting Policies (Cont’d)

Effective for financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current
Amendments to MFRS 101 and Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates

Effective date to be announced

Amendments to MFRS 10 and MFRS 128	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture
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A3. Auditors' Report

There were no audit qualifications on the annual audited financial statements of the Group for the financial year ended 31 December 2020.

A4. Seasonal or Cyclical Factors

The Group’s performance is affected by seasonal or cyclical factors on quarter-to-quarter basis; the demand may be skewed towards major festivities such as Hari Raya Puasa and Chinese New Year. This pattern is in line with the forecast and expectation of the Group.

A5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter and financial year-to-date under review.

A6. Material Changes in Estimates

Save as disclosed below, there were no changes in the estimate of amounts reported in the prior interim periods of the current financial year, or in previous years, which have material effect on the current quarter under review.

CITRA NUSA HOLDINGS BERHAD (Formerly known as “CNI Holdings Berhad”)
(Company No.: 198901004452 (181758-A))

Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2021

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A7. Changes in Debts and Equity Securities

Save as disclosed below, there were no issuances, repurchases and repayment of debt and equity securities during the quarter ended 30 June 2021.

On 13 April 2021, the Company resold the purchased shares held as Treasury Shares of 7,357,100 ordinary shares of the Company at a total consideration received of RM1,529,449.23.

A8. Dividend Paid

There were no dividends paid during the current quarter under review.

A9. Segmental Reporting

The segmental revenue and results for the financial year-to-date under review are as follows: -

	Current quarter		Year to-date	
	Revenue	Results	Revenue	Results
	30/06/2021	30/06/2021	30/06/2021	30/06/2021
	RM'000	RM'000	RM'000	RM'000
Marketing and trading	14,035	882	29,332	1,993
Manufacturing	7,836	302	12,959	(1,069)
Others	498	(334)	1,037	(541)
Inter-segment elimination	(4,160)	(602)	(7,063)	(162)
	18,209	248	36,265	221
Income tax		(171)		(321)
Non-controlling interests		(70)		111
Profit for the period		7		11

The segmental revenue and results for the preceding year’s corresponding financial year-to-date are as follows:-

	Current quarter		Year to-date	
	Revenue	Results	Revenue	Results
	30/06/2020	30/06/2020	30/06/2020	30/06/2020
	RM'000	RM'000	RM'000	RM'000
Marketing and trading	13,509	344	25,448	336
Manufacturing	5,936	(765)	12,669	(1,799)
Others	477	2	1,130	(110)
Inter-segment elimination	(3,436)	471	(6,593)	652
	16,486	52	32,654	(921)
Income tax		(125)		(262)
Non-controlling interests		89		199
Profit/(Loss) for the period		16		(984)

Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2021

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A10. Changes in the Composition of the Group

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

A11. Changes in Contingent Assets and Contingent Liabilities

As at the date of this announcement, there were no material changes in contingent assets and contingent liabilities of the Group since the last audited financial statements for the financial year ended 31 December 2020.

A12. Capital Commitment

The outstanding capital commitments as at the end of the financial period were as follows:

	As at 30.06.2021 RM'000
Capital expenditure approved and contracted for	123
Capital expenditure approved and not contracted for	<u>1,428</u>
	<u><u>1,551</u></u>

A13. Subsequent Material Events

There were no material events subsequent to the current quarter up to the date of the interim financial report.

A14. Related Party Transactions

Related party transactions were summarised as follows:

	Current quarter RM'000	Cumulative quarter RM'000
<u>CNI Corporation Sdn Bhd</u>		
Management fee paid and payable	83	160
Trade purchase paid and payable	345	375
Commission receivable	4	7
<u>CNI Venture Sdn Bhd</u>		
Research and development expenditure paid and payable	47	89
<u>CNI IPHC</u>		
Trademark fee paid and payable	62	123
<u>Yee Kee Bing</u>		
Provision of consultancy and management services	19	36

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Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2021

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

(a) Results for current year quarter compared to corresponding quarter of the preceding year

The Group recorded revenue of RM18.21 million for the current quarter ended 30 June 2021 as compared to RM16.49 million in the previous year corresponding quarter, increased by 10%.

	Current year quarter	Preceding Year Corresponding quarter	Changes %	Current year-to-date	Preceding Year Corresponding quarter	Changes %
	30/06/2021	30/06/2020		30/06/2021	30/06/2020	
	RM'000	RM'000		RM'000	RM'000	
Revenue	18,209	16,486	10%	36,265	32,654	11%
Profit/(Loss) Before Tax	178	141	26%	332	(722)	>100%
Profit/(Loss) After Tax	7	16	(56%)	11	(984)	>100%
Profit/(Loss) Attributable to Owners of the Company	(63)	105	>100%	122	(785)	>100%

The revenue from the marketing and trading segment increased from RM13.51 million to RM14.04 million, an increase of 4% as compared to the previous corresponding quarter. The increase in revenue is due to higher consumer demand for the products for this market segment.

Revenue contribution from the manufacturing segment increased from RM5.94 million to RM7.84 million, an increase of 32% as compared to the previous corresponding quarter. This was mainly attributable to higher local sales.

Revenue contribution from the other segments i.e. investment holding, retail of food and beverage businesses were RM0.5 million.

(b) Results for Current YTD 2021 vs corresponding YTD 2020

The Group's revenue for the financial period ended 30 June 2021 was RM36.27 million, 11% higher than previous financial corresponding period. This was mainly due to higher consumer demand for the wellness products.

The Group's profit after tax for the financial period ended 30 June 2021 was RM11,000.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B2. Material Change in Profit before Taxation (“PBT”) of Current Quarter Compared with Immediate Preceding Quarter

The Group’s PBT for the current quarter was RM0.18 million, compared to PBT of RM0.15 million in the immediate preceding quarter, mainly due to higher cyclical impact.

	Current quarter	Immediate Preceding quarter	Changes %
	30/06/2021	31/03/2021	
	RM’000	RM’000	
Revenue	18,209	18,056	1%
Profit Before Tax	178	154	16%

B3. Commentary on Prospects and Targets

The ongoing COVID-19 pandemic outbreak and the containment measures have posed an unprecedented challenge to the Malaysian economy.

Despite the challenging economic situation caused by the pandemic, we do see opportunities in our direct selling business as more people look to earn supplemental incomes and procure health care products.

We will leverage on the momentum built up and experience gained during the year 2020, so as to continue to strengthen the adoption of internet technology towards the new direct sales model.

B4. Profit Forecast and Profit Guarantee

The Group has not issued or disclosed in any public documents any profit forecast or profit guarantee for the current quarter under review.

B5. Taxation

The breakdown of tax charge for the current quarter and financial year-to-date were as follows:

	Current quarter	Year-to-date
	RM’000	RM’000
Taxation	171	321

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B6. Corporate Proposals

There were no corporate proposals announced but not completed as at 19 August 2021 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report).

B7. Group Borrowings and Debt Securities

The details of the Group borrowings (denominated in Ringgit Malaysia and foreign currency) as at 30.06.2021 were as follow:

	Total
	RM'000
<u>Secured</u>	
Short-term borrowings	
Lease liabilities	1,037
Long-term borrowings	
Lease liabilities	1,160
	2,197

B8. Material Litigation

The Group is not engaged in any material litigation since the date of the last annual statement of financial position up to the date of issuance of this quarterly report.

B9. Proposed Dividend

There was no dividend proposed in the current quarter.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B10. Earnings per Share

(a) Earnings per share

The basic earnings per share for the current quarter and financial period-to-date are computed as follow:

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year to-date	Preceding Year Corresponding Period
Profit/(Loss) attributable to the owners of the Company (RM'000)	(63)	105	122	(785)
Weighted average number of ordinary shares in issue ('000)	720,000	712,905	720,000	712,905
Basic earnings/(loss) per share (sen)	(0.01)	0.01	0.02	(0.11)

(b) Diluted earnings per share

There were no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the financial period.

B11. Profit/(Loss) for the period

Profit/(loss) before tax is arrived at after charging/ (crediting) the following items:

	Current Quarter	Financial Year-to-date
	RM'000	RM'000
Amortisation of intangible assets	73	134
Depreciation of property, plant and equipment	486	982
Interest expenses	113	222
Inventories written down	19	27
Property, plant and equipment written off	-	10
Loss on disposal of treasury shares	172	172
Interest income	(72)	(103)
Unrealised gain on foreign exchange	58	(5)

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Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2021

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B12. Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 August 2021.