

CNI HOLDINGS BERHAD
(Company No : 181758-A)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR FIRST QUARTER ENDED 31 MARCH 2014**

	Note	Individual Period		Cumulative Period	
		31.03.2014 Unaudited RM '000	31.03.2013 Unaudited RM '000	31.03.2014 Unaudited RM '000	31.03.2013 Unaudited RM '000
Operating revenue		24,286	25,330	24,286	25,330
Direct operating costs		(10,193)	(10,039)	(10,193)	(10,039)
Gross profit		14,093	15,291	14,093	15,291
Other operating revenue	B4	620	546	620	546
Other operating costs		(14,484)	(15,169)	(14,484)	(15,169)
Finance costs		(1)	(2)	(1)	(2)
Depreciation & amortisation		(569)	(618)	(569)	(618)
		(341)	48	(341)	48
Share of results of associates		(90)	(21)	(90)	(21)
(Loss)/Profit before taxation		(431)	27	(431)	27
Tax expenses		(99)	(263)	(99)	(263)
Loss net of taxation		(530)	(236)	(530)	(236)
Other comprehensive income					
Defined benefit plan actuarial gain		-	1,338	-	1,338
Foreign currency translation		(24)	(27)	(24)	(27)
Total comprehensive income for the period		(554)	1,075	(554)	1,075
Loss attributable to :					
Equity holders of the Company		(351)	(122)	(351)	(122)
Non-controlling interest		(179)	(114)	(179)	(114)
		(530)	(236)	(530)	(236)

CNI HOLDINGS BERHAD

(Company No : 181758-A)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR FIRST QUARTER ENDED 31 MARCH 2014 (Continued)

	Individual Period		Cumulative Period	
	31.03.2014 Unaudited RM '000	31.03.2013 Unaudited RM '000	31.03.2014 Unaudited RM '000	31.03.2013 Unaudited RM '000
Total comprehensive income attributable to :				
Equity holders of the Company	(375)	1,189	(375)	1,189
Non-controlling interests	(179)	(114)	(179)	(114)
	<u>(554)</u>	<u>1,075</u>	<u>(554)</u>	<u>1,075</u>
Earnings per share (sen)				
Basic	(0.05)	(0.02)	(0.05)	(0.02)
Diluted	NA	NA	NA	NA

Notes :-

1) NA denotes "Not Applicable"

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the explanatory notes attached to the interim financial statements.

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014

	Unaudited	Audited
	As at	As at
	31.03.2014	31.12.2013
	RM '000	RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	39,404	39,260
Investment properties	2,076	2,076
Investment in associate company	4,730	4,002
Investment in unquoted shares	1,254	1,254
Other intangible assets	2,204	2,716
Goodwill	925	925
Deferred tax assets	2,924	3,090
	53,517	53,323
Current assets		
Inventories	16,960	16,515
Trade receivables	15,339	15,623
Other receivables, deposits and prepayments	3,161	4,240
Investments	23,390	26,879
Tax assets	840	727
Cash and bank balances	7,277	6,871
	66,967	70,855
Non-current assets held for sale	-	1,375
	120,484	125,553
TOTAL ASSETS	120,484	125,553
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	72,000	72,000
Treasury shares	(1,651)	(1,640)
Retained earnings	30,823	31,175
Other reserves	(253)	(229)
	100,919	101,306
Non-controlling interests	664	843
Total Equity	101,583	102,149

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (Continued)

	Unaudited	Audited
	As at	As at
	31.03.2014	31.12.2013
	RM '000	RM '000
Non-current liabilities		
Borrowings	7	8
Retirement benefits	6,521	7,238
Deferred tax liabilities	709	899
	<u>7,237</u>	<u>8,145</u>
Current liabilities		
Trade payables	2,832	3,981
Other payables, deposits and accruals	8,810	11,153
Tax payables	-	50
Provision and contingent liabilities	-	45
Borrowings	22	30
	<u>11,664</u>	<u>15,259</u>
Total liabilities	<u>18,901</u>	<u>23,404</u>
TOTAL EQUITY AND LIABILITES	<u>120,484</u>	<u>125,553</u>
Net Assets	101,583	102,149
	0.14	0.14

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the explanatory notes attached to the interim financial statements.

CNI HOLDINGS BERHAD

(Company No : 181758-A)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

	← Non Distributable →			Distributable		
	Share Capital	Treasury Shares	Translation Reserve	Retained Earnings	Non-controlling Interests	Total Equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
As at 1 January 2013	72,000	(1,602)	(211)	34,211	1,006	105,404
Comprehensive income						
Loss for the year	-	-	-	(651)	(163)	(814)
Other comprehensive income						
Remeasurement of defined benefit liability	-	-	-	(214)	-	(214)
Foreign currency translation	-	-	(18)	-	-	(18)
Total comprehensive income for the year	-	-	(18)	(865)	(163)	(1,046)
Transactions with owners						
Purchase of Treasury Shares	-	(38)	-	-	-	(38)
Dividends	-	-	-	(2,141)	-	(2,141)
Dividend paid to non-controlling interests	-	-	-	(30)	-	(30)
Total transactions with owners	-	(38)	-	(2,171)	-	(2,209)
As at 31 December 2013	72,000	(1,640)	(229)	31,175	843	102,149

CNI HOLDINGS BERHAD

(Company No : 181758-A)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2014

	← Non Distributable →			Distributable		
	Share Capital	Treasury Shares	Translation Reserve	Retained Earnings	Non-controlling Interests	Total Equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
As at 1 January 2014	72,000	(1,640)	(229)	31,175	843	102,149
Comprehensive income						
Loss for the period	-	-	-	(351)	(179)	(531)
Other comprehensive income						
Foreign currency translation	-	-	(24)	-	-	(24)
Total comprehensive income for the period	-	-	(24)	(351)	(179)	(555)
Transactions with owners						
Purchase of Treasury Shares	-	(11)	-	-	-	(11)
Interim dividends	-	-	-	-	-	-
Total transactions with owners	-	(11)	-	-	-	(11)
As at 31 March 2014	72,000	(1,651)	(253)	30,824	664	101,583

The condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the explanatory notes attached to the interim financial statements

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2014

	31.03.2014	31.03.2013
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows from Operating Activities		
(Loss)/Profit before taxation	(431)	27
Adjustments for:-		
Amortisation of intangible assets	124	103
Bad debts written off	(41)	-
Depreciation of property, plant and equipment	751	898
Gain on disposal of non-current assets held for sale	(196)	-
Gain on disposal of property, plant and equipment	(24)	-
Interest expenses	7	2
Inventories written off	28	-
Investment income	(200)	(240)
Property, plant and equipment written off	53	4
Provision for employee benefits	(90)	(129)
Retirement benefits expense	83	131
Interest revenue	(21)	(17)
Share of results of associates	90	21
Unrealised (gain)/loss on foreign exchange	(15)	26
Operating profit before working capital changes	<u>118</u>	<u>826</u>
(Increase)/Decrease in inventories	(446)	201
(Increase)/Decrease in receivables	(259)	884
Decrease in payables	(2,399)	(1,557)
Cash generated from/(used in) operations	<u>(2,986)</u>	<u>354</u>
Cash Flows from Operating Activities		
Interest paid	(7)	(2)
Interest received	21	17
Tax paid	(319)	(409)
Net cash used in operating activities	<u>(3,291)</u>	<u>(40)</u>

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2014 (Continued)

	31.03.2014	31.03.2013
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows from Investing Activities		
Investment income	200	238
Purchase of property, plant and equipment	(728)	(114)
Purchase of intangible assets	(14)	-
Proceeds from disposal of property, plant and equipment	120	4
Proceeds from disposal of non-current assets held for sale	1,572	-
Investment in associate company	(818)	-
Net cash from investing activities	<u>332</u>	<u>128</u>
Cash Flows from Financing Activities		
Repayment of term loan	(26)	(8)
Purchase of treasury shares	(11)	(11)
Repayment of hire purchase liability	17	(1)
Net cash used in financing activities	<u>(20)</u>	<u>(20)</u>
Effect of exchange rate changes	61	(11)
Net (decrease)/increase in cash and cash equivalent	(2,918)	57
Cash and cash equivalent at beginning of the financial period	33,585	39,162
Cash and cash equivalent at end of the financial period	<u>30,667</u>	<u>39,219</u>

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the explanatory notes attached to the interim financial statement

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

These financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013. The explanatory notes attached to the 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 31 December 2013.

A2. Significant Accounting Policies

MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and Issues Committee (“IC”) Interpretations were issued but not yet effective and have not been applied by the Group:

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 9	Financial Instruments	To be announced by the MASB
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Financial Reporting Standards	1 July 2014
MFRS 2	Share-based Payment	1 July 2014
MFRS 3	Business Combinations	1 July 2014
MFRS 7	Financial Instruments: Disclosures	Applies when MFRS 9 is applied
MFRS 8	Operating Segments	1 July 2014

CNI Holdings Berhad (Company No.: 181758-A)

Unaudited Financial Results of the Group for the First Quarter Ended 31 March 2014

A2. Significant Accounting Policies (Continued)

MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective (Continued)

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and Issues Committee (“IC”) Interpretations were issued but not yet effective and have not been applied by the Group: (Continued)

<u>Amendments/Improvements to MFRSs (Con't)</u>		Effective for financial periods beginning on or after
MFRS 9	Financial Instruments	To be announced by the MASB
MFRS 13	Fair Value Measurement	1 July 2014
MFRS 116	Property, Plant and Equipment	1 July 2014
MFRS 119	Employee Benefits	1 July 2014
MFRS 124	Related Party Disclosures	1 July 2014
MFRS 138	Intangible Assets	1 July 2014
MFRS 139	Financial Instruments: Recognition and Measurement	Applies when MFRS 9 is applied
MFRS 140	Investment Property	1 July 2014

A3. Comments about 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.

A4. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter and cumulative period ended 31 March 2014.

CNI Holdings Berhad (Company No.: 181758-A)

Unaudited Financial Results of the Group for the First Quarter Ended 31 March 2014

A5. Changes in Estimates

There were no material changes in estimates that have had any material effect in the first quarter and cumulative period ended 31 March 2014.

A6. Debts and Equity Securities

Save as disclosed below, there were no issuances, repurchases and repayments of debt and equity securities during the quarter and cumulative period ended 31 March 2014:

The Company bought back from the open market, 100,000 ordinary shares of RM0.10 each of the Company (“CNI Shares”) at an average buy-back price of RM0.11 per share. The total consideration paid, including transaction costs, was RM11,080.30 and it was financed by internally generated funds. The CNI Shares bought back were being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 31 March 2014, the number of treasury shares held was 6,488,100 CNI Shares.

A7. Fair Value Changes of Financial Liabilities

As at 31 March 2014, the Group does not have any financial liabilities measured at fair value through profit or loss.

A8. Dividends Paid

There was no dividend declared and paid during the current quarter and cumulative period ended 31 March 2014.

CNI Holdings Berhad (Company No.: 181758-A)

Unaudited Financial Results of the Group for the First Quarter Ended 31 March 2014

A9. Segmental Information

The segmental information of the Group for the current quarter and financial year-to-date was summarised as below:

Business Segment	Current quarter		Year to-date	
	Revenue	Result	Revenue	Result
	31.03.14	31.03.14	31.03.14	31.03.14
	RM'000	RM'000	RM'000	RM'000
Marketing and trading	22,082	273	22,082	273
Manufacturing	9,226	(182)	9,226	(182)
Investment holding	972	60	972	60
Retail - Food and beverage	378	(11)	378	(11)
Inter-segment elimination	(8,372)	(481)	(8,372)	(481)
	<u>24,286</u>	<u>(341)</u>	<u>24,286</u>	<u>(341)</u>
Share of results of associates		(90)		(90)
Income tax expense		(99)		(99)
Non-controlling interest		179		179
Profit for the period		<u>(351)</u>		<u>(351)</u>

Business Segment	Previous Year Corresponding Quarter		Previous Year to-date	
	Revenue	Result	Revenue	Result
	31.03.13	31.03.13	31.03.13	31.03.13
	RM'000	RM'000	RM'000	RM'000
Marketing and trading	23,493	702	23,493	702
Manufacturing	9,487	(494)	9,487	(494)
Investment holding	1,097	(43)	1,097	(43)
Retail - Food and beverage	428	16	428	16
Inter-segment elimination	(9,174)	(133)	(9,174)	(133)
	<u>25,330</u>	<u>48</u>	<u>25,330</u>	<u>48</u>
Share of results of associates		(21)		(21)
Income tax expense		(263)		(263)
Non-controlling interest		114		114
Profit for the period		<u>(122)</u>		<u>(122)</u>

CNI Holdings Berhad (Company No.: 181758-A)

Unaudited Financial Results of the Group for the First Quarter Ended 31 March 2014

A10. Valuation of Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, have been brought forward without amendments from the audited financial statements for the financial year ended 31 December 2013.

Investment properties are stated at fair value as at 31 December 2013. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

A11. Subsequent Events

Save as disclosed below, there were no material events subsequent to the reporting period up to 23 May 2014 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report), which have not been reflected, in the financial statements for the current quarter under review and financial year to-date.

The Company had on 22 April 2014 entered into a Preference Share Subscription Agreement with Golden Palm Tree Resort & Spa Sdn Bhd (“GPT”) for the subscription of 3,500,000 redeemable non-cumulative preference shares of RM1.00 each in GPT for a total cash consideration of Ringgit Malaysia Three Million Five Hundred Thousand (RM3,500,000) Only.

A12. Changes in Composition of the Group

There were no material changes in the composition of the Company/Group including business combination, acquisition or disposal of subsidiaries and long-term investment, restructuring & discontinuing operations during the current quarter under review and financial period to-date:-

A13. 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 2013.

CNI Holdings Berhad (Company No.: 181758-A)

Unaudited Financial Results of the Group for the First Quarter Ended 31 March 2014

A14. Capital Commitments

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

	As at 31.03.2014 RM '000
Capital expenditure approved and contracted for:	
Purchase of property, plant and equipment	2
Acquisition of computer software	157
	<hr/>
	159
	<hr/>

A15. Related Party Disclosures

Related party transactions were summarised as follows:

	Current quarter/ Cumulative period RM '000
<u>CNI Corporation Sdn Bhd</u>	
Rental revenue received and receivable	30
Management fee paid and payable	60
IT and eCommerce related service	100
<u>CNI Venture Sdn Bhd</u>	
Rental revenue received and receivable	29
Research and development expenditure paid and payable	98
<u>Citra Nusa Insancemerlang Investment Company</u>	
Patent fee paid and payable	20
<u>PC Marketing Sdn Bhd</u>	
Rental charge paid and payable	20
<u>Leader Regent Inc</u>	
Sales received and receivable	264

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Unaudited Financial Results of the Group for the First Quarter Ended 31 March 2014

A15. Related Party Disclosures (Continued)

	Current quarter/ Cumulative period RM '000
<u>CNI IPHC</u>	
Trademark fee paid and payable	49
<u>CNI Hong Kong Limited</u>	
Purchase of goods	5
<u>CNI (China) Co. Ltd.</u>	
Purchase of goods and raw material	84
<u>Sepang Goldcoast Sdn Bhd</u>	
Sales received and receivable	17
Rental revenue received and receivable	60
IT and eCommerce related service	4
<u>Fortune Venture Inc</u>	
Sales received and receivable	1,857
<u>Golden Palm Tree Resort & Spa Sdn Bhd</u>	
Sales received and receivable	6

These transactions have been entered into in the normal course of business and have been established on commercial terms.

CNI Holdings Berhad (Company No.: 181758-A)

Unaudited Financial Results of the Group for the First Quarter Ended 31 March 2014

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

B1. Operating Segment Review

(a) Results for First Quarter

The Group recorded revenue of RM24.3 million for the current quarter ended 31 March 2014 as compared to RM25.3 million in the previous year corresponding quarter, showed a decrease of 4%.

Business Segment	Quarter Ended				Increase/(Decrease)			
	Revenue		Result		Revenue		Result	
	31.03.14	31.03.13	31.03.14	31.03.13	RM'000	%	RM'000	%
Marketing and trading	22,082	23,493	273	702	(1,411)	-6%	(429)	-61%
Manufacturing	9,226	9,487	(182)	(494)	(261)	-3%	312	63%
Investment holding	972	1,097	60	(43)	(125)	-11%	103	240%
Retail - Food and beverage	378	428	(11)	16	(50)	-12%	(27)	-169%

The revenue of the marketing and trading segment has decreased from RM23.5 million to RM22.1 million, a decrease of 6% as compared to the previous corresponding quarter. The decrease in revenue was mainly derived from lower revenue from direct selling business. Consequently, the result of marketing and trading segment has declined accordingly.

On the other hand, the manufacturing segment revenue has decreased from RM9.5 million to RM9.2 million, a decrease of 3% as compared to the previous corresponding quarter. Although the revenue has decreased but this segment was managed to achieve better result as compared to the previous corresponding quarter due to increase in export sales which contribute better profit margin to this segment.

The decline of revenue in the investment holdings business segment is resulted from lower rental income and management fee from subsidiaries. However, the result of this segment has improved in line with the cost optimization exercise. The lower rental income in line with disposal of investment properties last year and the management fee has decreased due to lower sales achieved by subsidiaries.

The result of retail - food and beverages segment has decreased by 169% as compared to the previous corresponding quarter due to weaker revenue recorded from certain outlets.

CNI Holdings Berhad (Company No.: 181758-A)

Unaudited Financial Results of the Group for the First Quarter Ended 31 March 2014

B1. Operating Segment Review (Continued)

(b) Results for Financial Year-to-date

The Group recorded revenue of RM24.3 million for the financial period ended 31 March 2014 as compared to RM25.3 million in the previous financial period, showing a decrease of 4%. The Group Loss Before Tax (“LBT”) for the financial period ended 31 March 2014 have expanded by RM0.5 million as compared to the Profit Before Tax (“PBT”) of RM27,000 in the previous financial period ended 31 March 2013.

The decline in sales revenue and higher LBT for the financial period ended 31 March 2014 as compared to the last corresponding financial period was attributable to the lower revenue and profit contribution from direct selling businesses.

Business Segment	Year to date ended				Increase/(Decrease)			
	Revenue		Result		Revenue		Result	
	31.03.14	31.03.13	31.03.14	31.03.13	RM'000	%	RM'000	%
Marketing and trading	22,082	23,493	273	702	(1,411)	-6%	(429)	-61%
Manufacturing	9,226	9,487	(182)	(494)	(261)	-3%	312	63%
Investment holding	972	1,097	60	(43)	(125)	-11%	103	240%
Retail - Food and beverage	378	428	(11)	16	(50)	-12%	(27)	-169%

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

The Group’s LBT for the current quarter was RM431,000 an increase of RM391,000 from the LBT of RM40,000 compared with preceding quarter. The loss has increased resulted from lower revenue from both marketing and trading segment as well as manufacturing segment.

B3. Commentary on Prospects and Targets

The outlook for the Group in the first two quarters of 2014 is expected to be challenging as reflected in the performance of its latest Group’s results. The Group will continue to readjust its strategies to ensure meeting its KPIs and remain profitable.

For the MLM segment, the Group will strive to enhance its competitive edge by introducing more new products via its bio-tech research facilities in Taiwan. The Group is also actively securing new markets such as Thailand and China in order to gain higher revenue and profit growth objective.

CNI Holdings Berhad (Company No.: 181758-A)

Unaudited Financial Results of the Group for the First Quarter Ended 31 March 2014

B3 Commentary on Prospects and Targets (Continued)

For the manufacturing segment, the Group will continue its commitment in the enhancement and innovation of its products development capabilities, streamlining its product process to achieve higher efficiency. Placing more emphasis in overseas markets and export sales, the Board of Directors believe will strengthen the Group's performance going forward.

B4. Other Operating Income

	Current Quarter	Previous Year Corresponding Quarter
	31.03.2014	31.03.2013
	RM '000	RM '000
Interest income	21	17
Forex gain/(loss)	42	(8)
Other income	557	537
	<u>620</u>	<u>546</u>

B5. Realised and Unrealised Profits

	As at 31.03.2014	As at 31.12.2013
	RM '000	RM '000
Total retained profits of the group		
- Realised profits	65,044	61,960
- Unrealised profits	4,306	4,454
	<u>69,350</u>	<u>66,414</u>
Total share of retained earnings from associate company		
- Realised	(255)	(165)
Less: Consolidation adjustments	(38,272)	(35,074)
Total retained profits as per statement of financial position	<u>30,823</u>	<u>31,175</u>

CNI Holdings Berhad (Company No.: 181758-A)

Unaudited Financial Results of the Group for the First Quarter Ended 31 March 2014

B6. Income Tax Expenses

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

	Current quarter RM '000	Period to-date RM '000
Current quarter/ period to-date	99	99

B7. Corporate Proposals

Save as disclosed below, there were no corporate proposals announced but not completed as at 23 May 2014 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report).

On 28 April 2014, the Board had announced that the Company proposes to seek approval from its shareholders at the forthcoming Annual General Meeting on the following:-

- (a) renewal of shareholder mandate and new shareholder mandate for recurrent related party transactions of a revenue or trading nature; and
- (b) renewal of share buy-back authority.

B8. Group Borrowings and Debt Securities

The details of the Group borrowings (denominated in Ringgit Malaysia) as at the reporting date were as follow:

	As at 31.03.2014 RM '000
<u>Secured</u>	
Short term borrowings	22
Long term borrowings	7
	<hr/> 29 <hr/>

B9. Material Litigation

There was no material litigation against the Group as at up to latest predictable date.

CNI Holdings Berhad (Company No.: 181758-A)

Unaudited Financial Results of the Group for the First Quarter Ended 31 March 2014

B10. Proposed Dividend

During the quarter ended 31 March 2014, the Board had declared a single tier interim dividend of RM0.003 per ordinary shares in respect of the financial year ended 31 December 2013 based on 713,511,900 ordinary shares amounting to RM2,140,536 which has been paid on 17 April 2014.

B11. Earnings Per Share

(a) Earnings per share

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

	Current quarter 31.03.2014	Period to Date 31.03.2014
Loss attributable to the equity holders of the parent (RM'000)	(351)	(351)
Weighted average number of ordinary share ('000)	713,582	713,582
Basic earnings per ordinary share (sen)	<u>(0.05)</u>	<u>(0.05)</u>

(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.

B12. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2013 was unqualified.

B13. 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 29 May 2014.