

**CNI HOLDINGS BERHAD**  
(Company No : 181758-A)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THIRD QUARTER ENDED 30 SEPTEMBER 2014**

	Note	Individual Period		Cumulative Period	
		30.09.2014	30.09.2013	30.09.2014	30.09.2013
		Unaudited RM '000	Unaudited RM '000	Unaudited RM '000	Unaudited RM '000
<b>Operating revenue</b>		22,183	27,149	66,636	79,778
Direct operating costs		(9,312)	(11,201)	(28,215)	(32,850)
Gross profit		12,871	15,948	38,421	46,928
Other operating revenue	B4	592	549	1,575	1,502
Other operating costs		(14,227)	(15,862)	(42,628)	(47,008)
Finance costs		-	(1)	(2)	(4)
Depreciation & amortisation		(578)	(621)	(1,729)	(1,789)
		(1,342)	13	(4,363)	(371)
Share of results of associates		(346)	(26)	(883)	(65)
<b>Loss before taxation</b>		(1,688)	(13)	(5,246)	(436)
Taxation		(353)	149	(266)	(312)
<b>(Loss)/Profit net of taxation</b>		(2,041)	136	(5,512)	(748)
<b>Other comprehensive income/(loss)</b>					
Defined benefit plan actuarial gain		-	-	-	1,339
Foreign currency translation		(135)	88	(173)	(8)
<b>Total comprehensive (loss)/income for the period</b>		(2,176)	224	(5,685)	583
<b>Loss attributable to :</b>					
Equity holders of the Company		(1,668)	142	(4,866)	(578)
Non-controlling interests		(373)	(6)	(646)	(170)
		(2,041)	136	(5,512)	(748)

## CNI HOLDINGS BERHAD

(Company No : 181758-A)

### CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THIRD QUARTER ENDED 30 SEPTEMBER 2014 (Continued)

	Individual Period		Cumulative Period	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	Unaudited	Unaudited	Unaudited	Unaudited
	RM '000	RM '000	RM '000	RM '000
<b>Total comprehensive (loss)/income</b>				
<b>attributable to :</b>				
Equity holders of the Company	(1,803)	230	(5,039)	753
Non-controlling interests	(373)	(6)	(646)	(170)
	<u>(2,176)</u>	<u>224</u>	<u>(5,685)</u>	<u>583</u>
Earnings per share (sen)				
Basic	(0.23)	(0.08)	(0.68)	(0.10)
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 STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2014**

	<b>Unaudited</b> <b>As at</b> <b>30.09.2014</b> <b>RM '000</b>	<b>Audited</b> <b>As at</b> <b>31.12.2013</b> <b>RM '000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	38,554	39,260
Investment properties	2,076	2,076
Investment in associate company	3,937	4,002
Investment in unquoted shares	1,254	1,254
Investment in preference share	3,500	-
Other intangible assets	1,981	2,716
Goodwill	925	925
Deferred tax assets	2,803	3,090
	55,030	53,323
<b>Current assets</b>		
Inventories	17,150	16,515
Trade receivables	8,988	15,623
Other receivables, deposits and prepayments	4,300	4,240
Investments	18,867	26,879
Tax assets	1,142	727
Cash and bank balances	9,625	6,871
	60,072	70,855
Non-current assets held for sale	-	1,375
	115,102	125,553
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	72,000	72,000
Treasury shares	(1,663)	(1,640)
Retained earnings	24,168	31,175
Other reserves	(402)	(229)
	94,103	101,306
<b>Non-controlling interests</b>	197	843
<b>Total Equity</b>	94,300	102,149

**CNI HOLDINGS BERHAD**  
**(Company No : 181758-A)**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2014 (Continued)**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30.09.2014</b>	<b>31.12.2013</b>
	<b>RM '000</b>	<b>RM '000</b>
	<b>_____</b>	<b>_____</b>
<b>Non-current liabilities</b>		
Borrowings	81	8
Retirement benefits	6,688	7,238
Deferred tax liabilities	709	899
	<b>_____</b>	<b>_____</b>
	7,478	8,145
	<b>_____</b>	<b>_____</b>
<b>Current liabilities</b>		
Trade payables	3,400	3,981
Other payables, deposits and accruals	9,913	11,153
Provision for taxation	-	50
Provision and contingent liabilities	-	45
Borrowings	11	30
	<b>_____</b>	<b>_____</b>
	13,324	15,259
	<b>_____</b>	<b>_____</b>
Total liabilities	20,802	23,404
	<b>_____</b>	<b>_____</b>
<b>TOTAL EQUITY AND LIABILITES</b>	<b>115,102</b>	<b>125,553</b>
	<b>_____</b>	<b>_____</b>
<b>Net Assets</b>	94,300	102,149
	0.13	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		Total Equity
	Share Capital	Treasury Shares	Translation Reserve	Retained Earnings	Non-controlling Interests	
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>As at 1 January 2013</b>	72,000	(1,602)	(211)	34,211	1,006	105,404
<b>Comprehensive income</b>						
Loss for the year	-	-	-	(651)	(163)	(814)
<b>Other comprehensive income</b>						
Defined benefit plan actuarial gain	-	-	-	(214)	-	(214)
Foreign currency translation	-	-	(18)	-	-	(18)
Total comprehensive income for the year	-	-	(18)	(865)	(163)	(1,046)
<b>Transactions with owners</b>						
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)
<b>As at 31 December 2013</b>	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 30 SEPTEMBER 2014

	← Non Distributable →			Distributable		Total Equity
	Share Capital	Treasury Shares	Translation Reserve	Retained Earnings	Non-controlling Interests	
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>As at 1 January 2014</b>	72,000	(1,640)	(229)	31,175	843	102,149
<b>Comprehensive income</b>						
Loss for the period	-	-	-	(4,866)	(646)	(5,512)
<b>Other comprehensive income</b>						
Foreign currency translation	-	-	(173)	-	-	(173)
Total comprehensive income for the period	-	-	(173)	(4,866)	(646)	(5,685)
<b>Transactions with owners</b>						
Purchase of treasury shares	-	(23)	-	-	-	(23)
Interim dividends	-	-	-	(2,141)	-	(2,141)
Total transactions with owners	-	(23)	-	(2,141)	-	(2,164)
<b>As at 30 September 2014</b>	72,000	(1,663)	(402)	24,168	197	94,300

*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 STATEMENTS OF CASH FLOWS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

	<b>30.09.2014</b>	<b>30.09.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash Flows from Operating Activities</b>		
Loss before taxation	(5,246)	(436)
Adjustments for:-		
Amortisation of intangible assets	386	314
Bad debts written off	-	242
Depreciation of property, plant and equipment	2,195	2,477
Gain on disposal of non-current assets held for sale	(246)	-
Loss/(Gain) on disposal of property, plant and equipment	180	(7)
Interest expenses	2	5
Interest revenue	(85)	(58)
Inventories written off	77	199
Investment income	(675)	(658)
Property, plant and equipment written off	134	26
(Reversal of)/Provision for employee benefits	(46)	163
Reversal of impairment loss on trade and other receivables	(191)	-
Retirement benefits expense	250	392
Share of loss of associated companies	883	65
Provision for/(Reversal of) slowing moving inventory	23	(109)
Unrealised loss on foreign exchange	97	42
Operating profit before working capital changes	<u>(2,262)</u>	<u>2,657</u>
Increase in inventories	(728)	(4,859)
Decrease/(Increase) in receivables	5,895	(581)
(Decrease)/Increase in payables	(946)	39
Cash generated from/(used in) operations	<u>1,959</u>	<u>(2,744)</u>
Interest paid	(2)	(5)
Interest received	85	58
Retirement benefit paid	(800)	(3,633)
Tax paid	(738)	(177)
Net cash from/(used in) operating activities	<u>504</u>	<u>(6,501)</u>

**CNI HOLDINGS BERHAD**  
**(Company No : 181758-A)**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 (Continued)**

	<b>30.09.2014</b>	<b>30.09.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash Flows from Investing Activities</b>		
Investment income	675	658
Purchase of property, plant and equipment	(1,586)	(1,057)
Purchase of intangible assets	(69)	(82)
Proceeds from disposal of property, plant and equipment	117	63
Proceeds from disposal of investment property	-	5,465
Proceeds from disposal of non-current assets held for sale	1,622	-
Investment in associate companies	(818)	-
Investment in preference share	(3,500)	-
Net cash (used in)/from investing activities	<u>(3,559)</u>	<u>5,047</u>
<b>Cash Flows from Financing Activities</b>		
Repayment of term loans	(25)	(23)
Purchase of treasury shares	(23)	(38)
Repayment of hire purchase liabilities	(5)	(2)
Dividend paid	(2,141)	(2,172)
Net cash used in financing activities	<u>(2,194)</u>	<u>(2,235)</u>
Effect of exchange rate changes	(9)	30
Net decrease in cash and cash equivalent	(5,258)	(3,659)
Cash and cash equivalent at beginning of the financial period	33,750	39,162
Cash and cash equivalent at end of the financial period	<u>28,492</u>	<u>35,503</u>

*The condensed Consolidated Statements 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 and Amendments to MFRSs issued but not yet effective**

At the date of authorisation of these interim financial statements, the following MFRSs and Amendments to MFRSs were issued but not yet effective and have not been applied by the Group:

		<b>Effective for financial periods beginning on or after</b>
<u>New MFRS</u>		
MFRS 9	Financial Instruments	To be announced by the MASB
<u>Amendments/Improvements to MFRSs</u>		
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
MFRS 9	Financial Instruments	To be announced by the MASB

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 2014

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### **A2. Significant Accounting Policies (Continued)**

#### **MFRSs and Amendments to MFRSs issued but not yet effective (Continued)**

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

<u>Amendments/Improvements to MFRSs (Con't)</u>		<b>Effective for financial periods beginning on or after</b>
MFRS 11	Joint Arrangements	1 January 2016
MFRS 13	Fair Value Measurement	1 July 2014
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
MFRS 116	Property, Plant and Equipment	1 July 2014 and 1 January 2016
MFRS 119	Employee Benefits	1 July 2014
MFRS 124	Related Party Disclosures	1 July 2014
MFRS 138	Intangible Assets	1 July 2014 and 1 January 2016
MFRS 140	Investment Property	1 July 2014
MFRS 141	Agriculture	1 January 2016

### **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 30 September 2014.

### **A5. Changes in Estimates**

There were no material changes in estimates that have had any material effect in the current quarter and cumulative period ended 30 September 2014.

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 2014

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### **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 30 September 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 RM0.115 per share. The total consideration paid, including transaction costs, was RM11,584.45 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 30 September 2014, the number of treasury shares held was 6,588,100 CNI Shares.

### **A7. Fair Value Changes of Financial Liabilities**

As at 30 September 2014, the Group does not have any financial liabilities measured at fair value through profit or loss.

### **A8. Dividends Paid**

During the last quarter, the single tier interim dividend of RM0.003 per ordinary shares in respect of the financial year ended 31 December 2013, amounted to RM2,140,536 was paid on 17 April 2014.

There were no dividends declared and paid during the current quarter.

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 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
	30.09.14	30.09.14	30.09.14	30.09.14
	RM'000	RM'000	RM'000	RM'000
Marketing and trading	18,692	(1,493)	59,367	(1,884)
Manufacturing	7,619	(1,091)	25,291	(1,802)
Investment holding	1,177	322	4,670	1,791
Retail - Food and beverage	328	(69)	1,087	(72)
Inter-segment elimination	(5,633)	989	(23,779)	(2,396)
	<u>22,183</u>	<u>(1,342)</u>	<u>66,636</u>	<u>(4,363)</u>
Share of results of associates		(346)		(883)
Income tax expense		(353)		(266)
Non-controlling interest		373		646
Loss for the period/year		<u>(1,668)</u>		<u>(4,866)</u>

Business Segment	Previous Year Corresponding Quarter		Previous Year to-date	
	Revenue	Result	Revenue	Result
	30.09.13	30.09.13	30.09.13	30.09.13
	RM'000	RM'000	RM'000	RM'000
Marketing and trading	26,539	706	74,296	2,218
Manufacturing	11,151	(472)	31,976	(1,335)
Investment holding	1,167	287	7,334	4,042
Retail - Food and beverage	393	(18)	1,248	(18)
Inter-segment elimination	(12,101)	(490)	(35,076)	(5,278)
	<u>27,149</u>	<u>13</u>	<u>79,778</u>	<u>(371)</u>
Share of results of associates		(26)		(65)
Income tax expense		149		(312)
Non-controlling interest		6		170
Profit/(Loss) for the period/year		<u>142</u>		<u>(578)</u>

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 2014

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### **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**

There were no material events subsequent to the reporting period up to 14 November 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.

### **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.

The Company had on 30 September 2014 subscribed for additional 818,182 new ordinary shares of RM1.00 each of CNI Corporation Sdn Bhd (“CNI Corp”) , representing 30% of the total enlarged issued and paid-up share capital of CNI Corp at a total cash consideration of Ringgit Malaysia Eight Hundred Eighteen Thousand One Hundred Eighty Two Only (RM818,182.00).

### **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 Third Quarter Ended 30 September 2014

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### **A14. Capital Commitments**

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

	<b>As at 30.09.2014 RM '000</b>
<b>Capital expenditure approved and contracted for:</b>	
Purchase of property, plant and equipment	15
Acquisition of computer software	213
	<hr/> <b>228</b> <hr/>

### **A15. Related Party Disclosures**

Related party transactions were summarised as follows:

	<b>Current quarter RM '000</b>	<b>Cumulative period RM '000</b>
<b><u>CNI Corporation Sdn Bhd</u></b>		
Management fee paid and payable	48	158
IT and eCommerce related service	91	275
<b><u>CNI Venture Sdn Bhd</u></b>		
Research and development expenditure paid and payable	64	211
<b><u>Leader Regent Inc</u></b>		
Sales received and receivable	56	582
<b><u>CNI (China) Co. Ltd.</u></b>		
Purchase of goods and raw material	-	128
<b><u>Fortune Venture Inc</u></b>		
Sales received and receivable	1,477	3,686
<b><u>Qingdao Mark Foods Co., Ltd</u></b>		
Sales received and receivable	193	277

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 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 Third Quarter

The Group recorded revenue of RM22.2 million for the current quarter ended 30 September 2014 as compared to RM27.1 million in the previous year corresponding quarter, showed a decrease of 18%.

Business Segment	Quarter Ended				Increase/(Decrease)			
	Revenue		Result		Revenue		Result	
	30.09.14	30.09.13	30.09.14	30.09.13	RM'000	%	RM'000	%
Marketing and trading	18,692	26,539	(1,493)	706	(7,847)	-30%	(2,199)	-312%
Manufacturing	7,619	11,151	(1,091)	(472)	(3,532)	-32%	(619)	-131%
Investment holding	1,177	1,167	322	287	10	1%	35	12%
Retail - Food and beverage	328	393	(69)	(18)	(65)	-17%	(51)	-283%

The revenue of the marketing and trading segment has decreased from RM26.5 million to RM18.6 million, a decrease of 30% 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 turned into loss position.

Sales revenue from manufacturing segment has decreased from RM11.2 million to RM7.6 million, a decrease of 32% as compared to the previous corresponding quarter. The decrease in sale revenue was in line with decrease in sales from direct selling business. Accordingly, the segment's result has declined significantly.

On the other hand, the investment holding business segment's revenue remain stable even though management fees from subsidiaries had declined as more dividend were declared from subsidiaries.

The result of retail - food and beverages segment has decreased by 283% as compared to the previous corresponding quarter due to lower revenue achieved by the outlets.

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 2014

### B1. Operating Segment Review (Continued)

#### (b) Results for Financial Year-to-date

The Group recorded revenue of RM66.6 million for the financial period ended 30 September 2014 as compared to RM79.8 million in the previous financial period, showing a decrease of 17%. The Group Loss Before Tax (“LBT”) for the financial period ended 30 September 2014 have expanded to RM5.2 million as compared to the LBT of RM0.4 million in the previous financial period ended 30 September 2013.

The decline in sales revenue and higher LBT for the financial period ended 30 September 2014 as compared to the last corresponding financial period was attributable to the lower revenue and profit contribution from direct selling and manufacturing businesses.

Business Segment	Year to date ended				Increase/(Decrease)			
	Revenue		Result		Revenue		Result	
	30.09.14	30.09.13	30.09.14	30.09.13	RM'000	%	RM'000	%
Marketing and trading	59,367	74,296	(1,884)	2,218	(14,929)	-20%	(4,102)	-185%
Manufacturing	25,291	31,976	(1,802)	(1,335)	(6,685)	-21%	(467)	-35%
Investment holding	4,670	7,334	1,791	4,042	(2,664)	-36%	(2,251)	-56%
Retail - Food and beverage	1,087	1,248	(72)	(18)	(161)	-13%	(54)	-300%

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

The Group’s LBT for the current quarter was RM1.7 million, a decrease of RM1.4 million from the LBT of RM3.1 million compared with preceding quarter. The loss has decreased mainly due to higher revenue achieved by the Group in this quarter.



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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 2014

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### **B3 Commentary on Prospects and Targets**

The group's third quarter result had shown a below par performance. The group shall endeavor to keep the business stable for the remaining quarter in preparing for a new financial year ahead.

For MLM segment, the sales performance was impacted by lower in flow rate of new customers. The emergence of fake coffee has also created a slower demand of the fast moving products. The recently launched unique beauty product has gained traction in attracting more new customers. Two newly launched anticipating products, the enhanced family and office unit water treatment system and the protein based health drink should anticipate a positive market response in the remaining quarter.

Going forward, new market and export sales such as Thailand and China shall remain optimistic.

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**

	<b>Current Quarter</b>	<b>Previous Year Corresponding Quarter</b>
	<b>30.09.2014</b>	<b>30.09.2013</b>
	<b>RM '000</b>	<b>RM '000</b>
Interest income	24	5
Gain/(loss) on foreign exchange	56	(13)
Other income	512	557
	<hr/>	<hr/>
	592	549
	<hr/>	<hr/>

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**B5. Realised and Unrealised Profits**

	<b>As at 30.09.2014 RM '000</b>	<b>As at 31.12.2013 RM '000</b>
Total retained profits of the group		
- Realised profits	61,313	61,960
- Unrealised profits	4,074	4,454
	<hr/> 65,387	<hr/> 66,414
Total share of retained earnings from associate company		
- Realised	(1,048)	(165)
Less: Consolidation adjustments	(40,171)	(35,074)
	<hr/> (41,219)	<hr/> (35,239)
Total retained profits as per statement of financial position	<hr/> <hr/> 24,168	<hr/> <hr/> 31,175

**B6. Income Tax Expenses**

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

	<b>Current quarter RM '000</b>	<b>Period to-date RM '000</b>
Current quarter/ period to-date	(353)	(266)
	<hr/> (353)	<hr/> (266)

**B7. Corporate Proposals**

There were no corporate proposals announced but not completed as at 14 November 2014 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report).

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### **B8. Group Borrowings and Debt Securities**

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

	<b>As at 30.09.2014 RM '000</b>
<b><u>Secured</u></b>	
Short term borrowings	11
Long term borrowings	81
	<hr/>
	92
	<hr/>

### **B9. Material Litigation**

Neither the Company nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the Group's financial position or business, and the Directors are not aware of any proceedings, pending or threatened, against the Company and/or any of its subsidiaries or of any facts likely to give rise to any proceedings which may materially and adversely affect the Group's financial position or business.

### **B10. Proposed Dividend**

There was no dividend proposed in the current quarter and the previous corresponding quarter.

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**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:

	<b>Current quarter 30.09.2014</b>	<b>Period to Date 30.09.2014</b>
Loss attributable to the equity holders of the parent (RM'000)	(1,668)	(4,866)
Weighted average number of ordinary share ('000)	713,474	713,522
Basic earnings per ordinary share (sen)	<u>(0.23)</u>	<u>(0.68)</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 20 November 2014.