

CNI HOLDINGS BERHAD
(Company No : 181758-A)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR FOURTH QUARTER ENDED 31 DECEMBER 2014**

	Note	Individual Period		Cumulative Period	
		31.12.2014	31.12.2013	31.12.2014	31.12.2013
		Unaudited RM '000	Unaudited RM '000	Unaudited RM '000	Audited RM '000
Operating revenue		25,933	32,201	92,570	111,979
Direct operating costs		(11,526)	(15,778)	(39,741)	(48,628)
Gross profit		14,407	16,423	52,829	63,351
Other operating revenue	B4	878	1,274	2,453	2,776
Other operating costs		(15,381)	(16,715)	(58,010)	(63,723)
Finance costs		(1)	(3)	(3)	(7)
Depreciation & amortisation		(713)	(722)	(2,442)	(2,511)
		(810)	257	(5,173)	(114)
Share of results of associates		(638)	(28)	(1,521)	(93)
(Loss)/Profit before taxation		(1,448)	229	(6,694)	(207)
Taxation		(133)	(295)	(398)	(607)
Loss net of taxation		(1,581)	(66)	(7,092)	(814)
Other comprehensive income/(loss)					
Defined benefit plan actuarial gain		-	(1,553)	-	(214)
Foreign currency translation		50	(10)	(123)	(18)
Total comprehensive loss for the period		(1,531)	(1,629)	(7,215)	(1,046)
Loss attributable to :					
Equity holders of the Company		(1,548)	(73)	(6,413)	(651)
Non-controlling interests		(33)	7	(679)	(163)
		(1,581)	(66)	(7,092)	(814)

CNI HOLDINGS BERHAD

(Company No : 181758-A)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR FOURTH QUARTER ENDED 31 DECEMBER 2014 (Continued)

	Individual Period		Cumulative Period	
	31.12.2014 Unaudited RM '000	31.12.2013 Unaudited RM '000	31.12.2014 Unaudited RM '000	31.12.2013 Audited RM '000
Total comprehensive (loss)/income attributable to :				
Equity holders of the Company	(1,498)	(1,636)	(6,536)	(883)
Non-controlling interests	(33)	7	(679)	(163)
	<u>(1,531)</u>	<u>(1,629)</u>	<u>(7,215)</u>	<u>(1,046)</u>
Earnings per share (sen)				
Basic	(0.22)	(0.01)	(0.90)	(0.09)
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 31 DECEMBER 2014

	Unaudited	Audited
	As at	As at
	31.12.2014	31.12.2013
	RM '000	RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	38,749	39,260
Investment properties	1,400	2,076
Investment in associate company	3,299	4,002
Investment in unquoted shares	1,254	1,254
Investment in preference share	3,500	-
Other intangible assets	1,906	2,716
Goodwill	200	925
Deferred tax assets	3,089	3,090
	53,397	53,323
Current assets		
Inventories	14,584	16,515
Trade receivables	13,346	15,623
Other receivables, deposits and prepayments	3,114	4,240
Investments	19,399	26,879
Tax assets	1,381	727
Cash and bank balances	10,271	6,871
	62,095	70,855
Non-current assets held for sale	-	1,375
	115,492	125,553
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	72,000	72,000
Treasury shares	(1,663)	(1,640)
Retained earnings	22,879	31,175
Other reserves	(352)	(229)
	92,864	101,306
Non-controlling interests	164	843
Total Equity	93,028	102,149

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014 (Continued)

	Unaudited	Audited
	As at	As at
	31.12.2014	31.12.2013
	RM '000	RM '000
	_____	_____
Non-current liabilities		
Borrowings	60	8
Retirement benefits	6,731	7,238
Deferred tax liabilities	1,317	899
	_____	_____
	8,108	8,145
	_____	_____
Current liabilities		
Trade payables	4,083	3,981
Other payables, deposits and accruals	10,174	11,153
Provision for taxation	-	50
Provision and contingent liabilities	71	45
Borrowings	28	30
	_____	_____
	14,356	15,259
	_____	_____
Total liabilities	22,464	23,404
	_____	_____
TOTAL EQUITY AND LIABILITES	115,492	125,553
	_____	_____
Net Assets	93,028	102,149
Net assets per share (RM)	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
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						
Defined benefit plan actuarial gain	-	-	-	(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 YEAR ENDED 31 DECEMBER 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
As at 1 January 2014	72,000	(1,640)	(229)	31,175	843	102,149
Comprehensive income						
Loss for the year	-	-	-	(6,413)	(679)	(7,092)
Other comprehensive income						
Defined benefit plan actuarial gain	-	-	-	258	-	258
Foreign currency translation	-	-	(123)	-	-	(123)
Total comprehensive income for the year	-	-	(123)	(6,155)	(679)	(6,957)
Transactions with owners						
Purchase of treasury shares	-	(23)	-	-	-	(23)
Interim dividends	-	-	-	(2,141)	-	(2,141)
Total transactions with owners	-	(23)	-	(2,141)	-	(2,164)
As at 31 December 2014	72,000	(1,663)	(352)	22,879	164	93,028

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 FOURTH QUARTER ENDED 31 DECEMBER 2014

	31.12.2014	31.12.2013
	RM'000	RM'000
	(Unaudited)	(Audited)
Cash Flows from Operating Activities		
Loss before taxation	(6,694)	(207)
Adjustments for:-		
Amortisation of intangible assets	596	495
Bad debts written off	104	-
Depreciation of property, plant and equipment	2,990	3,489
Gain on disposal of investment property	(157)	-
Gain on disposal of non-current assets held for sale	(246)	-
Loss/(Gain) on disposal of property, plant and equipment	180	133
Impairment loss of goodwill on consolidation	725	-
Impairment loss on other investment	-	746
Intangible assets written off	-	10
Interest expenses	3	5
Interest revenue	(116)	(81)
Inventories written off	252	270
Investment income	(865)	(852)
Property, plant and equipment written off	157	48
Provision/(Reversal) for employee benefits expenses (Reversal)/Provision of impairment loss on trade and other receivables	26	(115)
	(108)	323
Retirement benefits expense	333	401
Share of loss of associated companies	1,521	93
Sundry deposits written off	-	22
Reversal of slowing moving inventory	(90)	(85)
Unrealised gain on foreign exchange	(623)	(186)
Operating profit before working capital changes	<u>(2,012)</u>	<u>4,509</u>
Decrease in inventories	1,791	1,887
Decrease/(Increase) in receivables	2,466	(9,537)
Increase in payables	788	2,282
Cash generated from/(used in) operations	<u>3,033</u>	<u>(859)</u>

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014 (Continued)

	31.12.2014	31.12.2013
	RM'000	RM'000
	(Unaudited)	(Audited)
Cash Flows from Operating Activities (Con't)		
Interest paid	(3)	(5)
Interest received	116	81
Retirement benefit paid	(800)	(3,633)
Tax paid	(554)	(987)
Tax refund	55	1,734
Net cash from/(used in) operating activities	<u>1,847</u>	<u>(3,669)</u>
Cash Flows from Investing Activities		
Repayments from/(Advances to) associates companies	(99)	3
Investment income	865	852
Purchase of property, plant and equipment	(2,550)	(1,375)
Purchase of intangible assets	(330)	(478)
Purchase of investment property	-	(676)
Proceeds from disposal of property, plant and equipment	197	110
Proceeds from disposal of investment property	833	-
Proceeds from disposal of non-current assets held for sale	1,622	5,465
Investment in associate companies	(818)	(3,500)
Investment in preference share	(3,500)	-
Net cash (used in)/from investing activities	<u>(3,780)</u>	<u>401</u>
Cash Flows from Financing Activities		
Repayment of term loans	(25)	(31)
Purchase of treasury shares	(23)	(38)
Repayment of hire purchase liabilities	(13)	(3)
Dividend paid	(2,141)	(2,172)
Net cash used in financing activities	<u>(2,202)</u>	<u>(2,244)</u>
Effect of exchange rate changes	55	55
Net decrease in cash and cash equivalent	(4,080)	(5,457)
Cash and cash equivalent at beginning of the financial year	33,750	39,207
Cash and cash equivalent at end of the financial year	<u>29,670</u>	<u>33,750</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

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

Unaudited Financial Results of the Group for Fourth Quarter Ended 31 December 2014

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:

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2017
<u>Amendments/Improvements to MFRSs</u>		
MFRS 2	Share-based Payment	1 July 2014
MFRS 3	Business Combinations	1 July 2014
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosures	1 January 2016
MFRS 8	Operating Segments	1 July 2014

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

Unaudited Financial Results of the Group for Fourth Quarter Ended 31 December 2014

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>		Effective for financial periods beginning on or after
MFRS 10	Consolidated Financial Statements	1 January 2016
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosure of Interests in Other Entities	1 January 2016
MFRS 13	Fair Value Measurement	1 July 2014
MFRS 101	Presentation of Financial Statements	1 January 2016
MFRS 116	Property, Plant and Equipment	1 July 2014 and 1 January 2016
MFRS 119	Employee Benefits	1 July 2014 and 1 January 2016
MFRS 124	Related Party Disclosures	1 July 2014
MFRS 127	Consolidated and Separate Financial Statements	1 January 2016
MFRS 128	Investments in Associates	1 January 2016
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.

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

Unaudited Financial Results of the Group for Fourth Quarter Ended 31 December 2014

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 December 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 31 December 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 December 2014:

As at 31 December 2014, the number of treasury shares held was 6,588,100 ordinary shares of RM0.10 each of the Company.

A7. Fair Value Changes of Financial Liabilities

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

A8. Dividends Paid

There were no dividend paid during the current quarter.

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

Unaudited Financial Results of the Group for Fourth Quarter Ended 31 December 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 31.12.14	Result 31.12.14	Revenue 31.12.14	Result 31.12.14
	RM'000	RM'000	RM'000	RM'000
Marketing and trading	19,078	(610)	78,446	(2,494)
Manufacturing	12,235	1,699	37,526	(103)
Investment holding	1,230	(3,434)	5,900	(1,643)
Retail - Food and beverage	369	(69)	1,456	(141)
Inter-segment elimination	(6,979)	1,604	(30,758)	(792)
	<u>25,933</u>	<u>(810)</u>	<u>92,570</u>	<u>(5,173)</u>
Share of results of associates		(638)		(1,521)
Income tax expense		(133)		(398)
Non-controlling interest		<u>33</u>		<u>679</u>
Loss for the period/year		<u>(1,548)</u>		<u>(6,413)</u>

Business Segment	Previous Year Corresponding Quarter		Previous Year to-date	
	Revenue 31.12.13	Result 31.12.13	Revenue 31.12.13	Result 31.12.13
	RM'000	RM'000	RM'000	RM'000
Marketing and trading	27,733	784	102,029	3,001
Manufacturing	11,089	(39)	43,066	(1,374)
Investment holding	2,885	654	10,219	4,697
Retail - Food and beverage	373	(8)	1,621	(26)
Inter-segment elimination	(9,879)	(1,134)	(44,956)	(6,412)
	<u>32,201</u>	<u>257</u>	<u>111,979</u>	<u>(114)</u>
Share of results of associates		(28)		(93)
Income tax expense		(295)		(607)
Non-controlling interest		<u>(7)</u>		<u>163</u>
Loss for the period/year		<u>(73)</u>		<u>(651)</u>

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

Unaudited Financial Results of the Group for Fourth Quarter Ended 31 December 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 20 February 2015 (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's wholly-owned subsidiary, CNI Enterprise (M) had, on 30 January 2015, acquired 42,000 ordinary shares of RM1.00 each in Agriscience Biotech (Malaysia) Sdn Bhd ("ABSB"), representing 70% of the total issued and paid-up share capital of ABSB for a total consideration of Ringgit Malaysia Five Hundred Twenty (RM520.00) only.

At the same time, the Company had disposed of 18,000 ordinary shares of RM1.00 each representing 30% of the total issued and paid-up share capital of ABSB to Redwan Bin Haris for a total consideration of Ringgit Malaysia Two Hundred Twenty Five (RM225.00) only (collectively refer to as "Change")

Upon the Change, ABSB has become a subsidiary of CNIE, which in turn is a wholly-owned subsidiary of the Company.

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

Unaudited Financial Results of the Group for Fourth Quarter Ended 31 December 2014

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 year 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.

A14. Capital Commitments

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

	As at 31.12.2014 RM '000
Capital expenditure approved and contracted for:	
Purchase of property, plant and equipment	186
Acquisition of computer hardware	4
Acquisition of computer software	250
	<hr/> 440 <hr/>

CNI Holdings Berhad (Company No.: 181758-A)Unaudited Financial Results of the Group for Fourth Quarter Ended 31 December 2014

A15. Related Party Disclosures

Related party transactions were summarised as follows:

	Current quarter RM '000	Cumulative period RM '000
<u>CNI Corporation Sdn Bhd</u>		
Management fee paid and payable	55	213
IT and eCommerce related service	75	350
<u>CNI Venture Sdn Bhd</u>		
Research and development expenditure paid and payable	103	314
<u>Leader Regent Inc</u>		
Sales received and receivable	260	843
<u>CNI (China) Co. Ltd.</u>		
Purchase of goods and raw material	-	128
<u>Fortune Venture Inc</u>		
Sales received and receivable	627	4,314
<u>Qingdao Mark Foods Co., Ltd</u>		
Sales received and receivable	82	358

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Unaudited Financial Results of the Group for Fourth Quarter Ended 31 December 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 Fourth Quarter

The Group recorded revenue of RM25.9 million for the current quarter ended 31 December 2014 as compared to RM32.2 million in the previous year corresponding quarter, showed a decrease of 20%.

Business Segment	Quarter Ended				Increase/(Decrease)			
	Revenue		Result		Revenue		Result	
	31.12.14	31.12.13	31.12.14	31.12.13	Revenue	%	Result	%
	RM'000	RM'000	RM'000	RM'000	RM'000	%	RM'000	%
Marketing and trading	19,078	27,733	(610)	784	(8,655)	-31%	(1,394)	-178%
Manufacturing	12,235	11,089	1,699	(39)	1,146	10%	1,738	4456%
Investment holding	1,230	2,885	(3,434)	654	(1,655)	-57%	(4,088)	-625%
Retail - Food and beverage	369	373	(69)	(8)	(4)	-1%	(61)	-763%

The revenue of the marketing and trading segment has decreased from RM27.7 million to RM19.1 million, a decrease of 31% as compared to the previous corresponding quarter. Higher revenue in the previous corresponding quarter resulted from disposal of properties to Sepang Goldcoast Sdn. Bhd.. The decrease in revenue in this quarter 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 increased from RM11 million to RM12.2 million, an increase of 11% as compared to the previous corresponding quarter as export sales increased. With the sales improvement and operating cost reduction, the result for the manufacturing segment for this quarter was improved accordingly.

On the other hand, the revenue and result of investment holding business segment were decreased mainly due to decline in management fees from subsidiaries and lesser dividend were declared by subsidiaries. In addition, provision for doubtful debts for a wholly owned subsidiaries had been made. It had led to declining result.

The result of retail - food and beverages segment has decreased by 763% as compared to the previous corresponding quarter as certain obsolete equipment were written off.

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Unaudited Financial Results of the Group for Fourth Quarter Ended 31 December 2014

B1. Operating Segment Review (Continued)

(b) Results for Financial Year-to-date

The Group recorded revenue of RM92.6 million for the financial year ended 31 December 2014 as compared to RM112 million in the previous financial year, showing a decrease of 17%. The Group Loss Before Tax (“LBT”) for the financial year ended 31 December 2014 have expanded to RM6.7 million as compared to the LBT of RM0.2 million in the previous financial year ended 31 December 2013.

The decline in sales revenue and higher LBT for the financial year ended 31 December 2014 as compared to the last corresponding financial year 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	
	31.12.14	31.12.13	31.12.14	31.12.13				
	RM'000	RM'000	RM'000	RM'000	RM'000	%	RM'000	%
Marketing and trading	78,446	102,029	(2,494)	3,001	(23,583)	-23%	(5,495)	-183%
Manufacturing	37,526	43,066	(103)	(1,374)	(5,540)	-13%	1,271	93%
Investment holding	5,900	10,219	(1,643)	4,697	(4,319)	-42%	(6,340)	-135%
Retail - Food and beverage	1,456	1,621	(141)	(26)	(165)	-10%	(115)	-442%

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

The Group’s LBT for the current quarter was RM1.4 million, a decrease of RM0.3 million from the LBT of RM1.7 million compared with preceding quarter. The loss has decreased mainly due to higher revenue achieved by the Group in this quarter.

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Unaudited Financial Results of the Group for Fourth Quarter Ended 31 December 2014

B3 Commentary on Prospects and Targets

The group's fourth quarter result had shown a below par performance. The group shall endeavor to keep the business in a more upbeat mode for the new financial year ahead.

For MLM segment, the sales performance was impacted by lower in flow rate of new customers. The emergence of counterfeit 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 as we gear towards a new financial year.

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

	Current Quarter 31.12.2014 RM '000	Previous Year Corresponding Quarter 31.12.2013 RM '000
Interest income	31	17
Gain/(loss) on foregin exchange	585	(52)
Other income	262	1,309
	<hr/>	<hr/>
	878	1,274
	<hr/>	<hr/>

CNI Holdings Berhad (Company No.: 181758-A)Unaudited Financial Results of the Group for Fourth Quarter Ended 31 December 2014

B5. Realised and Unrealised Profits

	As at 31.12.2014 RM '000	As at 31.12.2013 RM '000
Total retained profits of the group		
- Realised profits	58,140	61,960
- Unrealised profits	3,795	4,454
	<hr/> 61,935	<hr/> 66,414
Total share of retained earnings from associate company		
- Realised	(1,686)	(165)
Less: Consolidation adjustments	(37,370)	(35,074)
	<hr/>	<hr/>
Total retained profits as per statement of financial position	<hr/> 22,879	<hr/> 31,175

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	<hr/> (133)	<hr/> (398)

B7. Corporate Proposals

There were no corporate proposals announced but not completed as at 20 February 2015 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report).

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

Unaudited Financial Results of the Group for Fourth Quarter Ended 31 December 2014

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 31.12.2014 RM '000
<u>Secured</u>	
Short term borrowings	28
Long term borrowings	60
	<hr/> 88 <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

A single tier interim dividend of 0.3 sen per ordinary share in respect of the financial year ended 31 December 2014 has been declared and will be paid on 16 April 2015 to the depositors registered in the Record of Depositors at the close of business on 19 March 2015.

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

Unaudited Financial Results of the Group for Fourth Quarter Ended 31 December 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 31.12.2014	Year to Date 31.12.2014
Loss attributable to the equity holders of the parent (RM'000)	(1,548)	(6,413)
Weighted average number of ordinary share ('000)	713,412	713,455
Basic earnings per ordinary share (sen)	<u>(0.22)</u>	<u>(0.90)</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 year.

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 26 February 2015.