

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

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR SECOND QUARTER ENDED 30 JUNE 2015**

	Note	Individual Period		Cumulative Period	
		30.06.2015	30.06.2014	30.06.2015	30.06.2014
		Unaudited RM '000	Unaudited RM '000	Unaudited RM '000	Unaudited RM '000
<b>Operating revenue</b>		20,730	20,168	45,984	44,454
Direct operating costs		(9,808)	(8,710)	(19,390)	(18,903)
Gross profit		10,922	11,458	26,594	25,551
Other operating revenue	B4	502	363	1,213	982
Other operating costs		(12,462)	(13,918)	(27,285)	(28,402)
Finance costs		(2)	(1)	(3)	(1)
Depreciation & amortisation		(564)	(582)	(1,119)	(1,151)
		(1,604)	(2,680)	(600)	(3,021)
Share of results of associates		(270)	(447)	(788)	(537)
<b>Loss before taxation</b>		(1,874)	(3,127)	(1,388)	(3,558)
Taxation		416	186	101	87
<b>Loss net of taxation</b>		(1,458)	(2,941)	(1,287)	(3,471)
<b>Other comprehensive loss</b>					
Foreign currency translation		(30)	(15)	9	(38)
<b>Total comprehensive loss for the period</b>		(1,488)	(2,956)	(1,278)	(3,509)
<b>Loss attributable to :</b>					
Equity holders of the Company		(1,151)	(2,847)	(1,027)	(3,198)
Non-controlling interests		(307)	(94)	(260)	(273)
		(1,458)	(2,941)	(1,287)	(3,471)

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

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME  
 FOR SECOND QUARTER ENDED 30 JUNE 2015 (Continued)**

	<b>Individual Period</b>		<b>Cumulative Period</b>	
	<b>30.06.2015</b>	<b>30.06.2014</b>	<b>30.06.2015</b>	<b>30.06.2014</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b>Total comprehensive loss</b>				
<b>attributable to :</b>				
Equity holders of the Company	(1,181)	(2,862)	(1,018)	(3,236)
Non-controlling interests	(307)	(94)	(260)	(273)
	<b>(1,488)</b>	<b>(2,956)</b>	<b>(1,278)</b>	<b>(3,509)</b>
Earnings per share (sen)				
Basic	(0.16)	(0.40)	(0.14)	(0.45)
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 2014 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 JUNE 2015**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30.06.2015</b>	<b>31.12.2014</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	37,726	37,913
Investment properties	1,400	1,400
Investment in associate company	2,850	3,090
Investment in unquoted shares	1,254	1,254
Investment in preference share	3,500	3,500
Other intangible assets	2,136	2,745
Goodwill	200	200
Deferred tax assets	3,464	3,210
	<b>52,530</b>	<b>53,312</b>
<b>Current assets</b>		
Inventories	17,593	14,621
Trade receivables	11,669	12,633
Other receivables, deposits and prepayments	3,255	5,226
Investments	7,619	19,779
Tax assets	784	1,235
Cash and bank balances	16,042	9,891
	<b>56,962</b>	<b>63,385</b>
<b>TOTAL ASSETS</b>	<b>109,492</b>	<b>116,697</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	72,000	72,000
Treasury shares	(1,667)	(1,663)
Retained earnings	19,482	22,709
Other reserves	(343)	(352)
	<b>89,472</b>	<b>92,694</b>
<b>Non-controlling interests</b>	<b>(114)</b>	<b>134</b>
<b>Total Equity</b>	<b>89,358</b>	<b>92,828</b>

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2015 (Continued)**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30.06.2015</b>	<b>31.12.2014</b>
	<b>RM '000</b>	<b>RM '000</b>
	<b>_____</b>	<b>_____</b>
<b>Non-current liabilities</b>		
Borrowings	61	60
Retirement benefits	6,888	6,730
Deferred tax liabilities	1,160	1,317
	<b>_____</b>	<b>_____</b>
	8,109	8,107
	<b>_____</b>	<b>_____</b>
<b>Current liabilities</b>		
Trade payables	1,863	4,840
Other payables, deposits and accruals	9,646	10,806
Provision and contingent liabilities	498	86
Borrowings	18	30
	<b>_____</b>	<b>_____</b>
	12,025	15,762
	<b>_____</b>	<b>_____</b>
Total liabilities	20,134	23,869
	<b>_____</b>	<b>_____</b>
<b>TOTAL EQUITY AND LIABILITES</b>	<b>109,492</b>	<b>116,697</b>
	<b>_____</b>	<b>_____</b>
<b>Net Assets</b>	89,358	92,828
<b>Net assets per share (RM)</b>	0.13	0.13

*The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the explanatory notes attached to the interim financial statements.*

## CNI HOLDINGS BERHAD

(Company No : 181758-A)

### AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	← Non Distributable	→	Distributable			
	Share Capital	Treasury Shares	Currency Translation Reserve	Retained Earnings	Non-controlling Interests	Total Equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>As at 1 January 2014</b>	72,000	(1,640)	(229)	31,204	814	102,149
<b>Comprehensive loss</b>						
Loss for the year	-	-	-	(6,612)	(680)	(7,292)
<b>Other comprehensive income/(loss)</b>						
Remeasurement of defined benefit liability	-	-	-	258	-	258
Foreign currency translation	-	-	(123)	-	-	(123)
Total comprehensive loss for the year	-	-	(123)	(6,354)	(680)	(7,157)
<b>Transactions with owners</b>						
Purchase of treasury shares	-	(23)	-	-	-	(23)
Dividends	-	-	-	(2,141)	-	(2,141)
Total transactions with owners	-	(23)	-	(2,141)	-	(2,164)
<b>As at 31 December 2014</b>	72,000	(1,663)	(352)	22,709	134	92,828

## CNI HOLDINGS BERHAD

(Company No : 181758-A)

### UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2015

	← Non Distributable →			Distributable		
	Share Capital	Treasury Shares	Currency Translation Reserve	Retained Earnings	Non-controlling Interests	Total Equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>As at 1 January 2015</b>	72,000	(1,663)	(352)	22,709	134	92,828
<b>Comprehensive loss</b>						
Loss for the period	-	-	-	(1,027)	(260)	(1,287)
<b>Other comprehensive income</b>						
Foreign currency translation	-	-	9	-	-	9
Total comprehensive income/(loss) for the period	-	-	9	(1,027)	(260)	(1,278)
<b>Transactions with owners</b>						
Purchase of treasury shares	-	(4)	-	-	-	(4)
Acquisition of subsidiary company	-	-	-	-	12	12
Total transactions with owners	-	(4)	-	(2,200)	12	(2,192)
<b>As at 30 June 2015</b>	72,000	(1,667)	(343)	19,482	(114)	89,358

*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 2014 and the explanatory notes attached to the interim financial statements*

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

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

	<b>30.06.2015</b>	<b>30.06.2014</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	(1,388)	(3,558)
Adjustments for:-		
Amortisation of intangible assets	318	257
Bad debts written off/(Reversal)	117	(110)
Depreciation of property, plant and equipment	1,304	1,491
Gain on disposal of non-current assets held for sale	-	(246)
Loss on disposal of property, plant and equipment	1	180
Interest expenses	3	2
Interest revenue	(97)	(61)
Inventories written off	10	87
Investment income	(242)	(443)
Property, plant and equipment written off	36	86
Povision/(Reversal) for employee benefits expenses	413	(90)
Retirement benefits expense	158	167
Share of loss of associated companies	788	537
Unrealised (gain)/loss on foreign exchange	(353)	59
Operating profit/(loss) before working capital changes	<u>1,185</u>	<u>(1,642)</u>
Increase in inventories	(2,983)	(759)
Decrease in receivables	745	4,245
Decrease in payables	(1,834)	(291)
Cash (used in)/generated from operations	<u>(2,887)</u>	<u>1,553</u>
Interest paid	(3)	(2)
Interest received	97	61
Tax paid	(524)	(578)
Tax refund	669	-
Net cash (used in)/from operating activities	<u>(2,648)</u>	<u>1,034</u>

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

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2015 (Continued)**

	<b>30.06.2015</b>	<b>30.06.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash Flows from Investing Activities</b>		
Net cash outflow on acquisition of subsidiary company	(1)	-
Investment income	242	443
Purchase of property, plant and equipment	(624)	(1,380)
Purchase of intangible assets	(346)	(44)
Proceeds from disposal of property, plant and equipment	65	114
Proceeds from disposal of other intangible asset	237	-
Proceeds from disposal of non-current assets held for sale	-	1,622
Investment in associate companies	(548)	(818)
Investment in preference share	-	(3,500)
Net cash used in investing activities	<u>(975)</u>	<u>(3,563)</u>
<b>Cash Flows from Financing Activities</b>		
Repayment of term loans	(4)	(17)
Purchase of treasury shares	(4)	(11)
Repayment of hire purchase liabilities	(11)	(2)
Dividend paid	(2,200)	(2,141)
Net cash used in financing activities	<u>(2,219)</u>	<u>(2,171)</u>
Effect of exchange rate changes	<u>(167)</u>	<u>71</u>
Net decrease in cash and cash equivalent	(6,009)	(4,629)
Cash and cash equivalent at beginning of the financial period	29,670	33,585
Cash and cash equivalent at end of the financial period	<u>23,661</u>	<u>28,956</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 2014 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 2014. 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 2014.

**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 MFRSs</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 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosures	1 January 2016
MFRS 10	Consolidated Financial Statements	1 January 2016
MFRS 11	Joint Arrangements	1 January 2016

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

Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2015

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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 (Continued)</u>		<b>Effective for financial periods beginning on or after</b>
MFRS 12	Disclosure of Interests in Other Entities	1 January 2016
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 101	Presentation of Financial Statements	1 January 2016
MFRS 116	Property, Plant and Equipment	1 January 2016
MFRS 119	Employee Benefits	1 January 2016
MFRS 127	Separate Financial Statements	1 January 2016
MFRS 128	Investments in Associates	1 January 2016
MFRS 134	Interim Financial Reporting	1 January 2016
MFRS 138	Intangible Assets	1 January 2016
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 June 2015.

### **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 June 2015.

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

Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2015

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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 June 2015.

As at 30 June 2015, the number of treasury shares held was 6,638,100 CNI Shares.

### A7. Fair Value Changes of Financial Liabilities

As at 30 June 2015, the Group does not have any financial liabilities measured at fair value through profit or loss.

### A8. Dividends Paid

During the current quarter ended 30 June 2015, a single tier interim dividend of RM0.003 per ordinary shares in respect of the financial year ended 31 December 2014, amounted to RM2,140,086 was paid on 16 April 2015.

### A9. Segmental Information

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

Business Segment	Current quarter		Year to-date	
	Revenue	Result	Revenue	Result
	30.06.2015	30.06.2015	30.06.2015	30.06.2015
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Marketing and trading	17,395	(303)	40,400	535
Manufacturing	9,533	721	20,781	2,238
Others	1,123	(86)	1,525	(884)
Inter-segment elimination	(7,321)	(1,936)	(16,722)	(2,489)
	<u>20,730</u>	<u>(1,604)</u>	<u>45,984</u>	<u>(600)</u>
Share of results of associates		(270)		(788)
Income tax expense		416		101
Non-controlling interests		307		260
Profit for the period		<u>(1,151)</u>		<u>(1,027)</u>

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

Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2015

**A9. Segmental Information** (Continued)

The segmental information of the Group for the current quarter and financial period-to-date was summarised as below: (Continued)

Business Segment	Previous Year Corresponding Quarter		Previous Year to-date	
	Revenue	Result	Revenue	Result
	30.06.2014	30.06.2014	30.06.2014	30.06.2014
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Marketing and trading	18,594	(664)	40,676	(391)
Manufacturing	8,446	(528)	17,672	(710)
Others	2,902	1,417	4,252	1,466
Inter-segment elimination	(9,774)	(2,905)	(18,146)	(3,386)
	<u>20,168</u>	<u>(2,680)</u>	<u>44,454</u>	<u>(3,021)</u>
Share of results of associates		(447)		(537)
Income tax expense		186		87
Non-controlling interests		94		273
Loss for the period		<u>(2,847)</u>		<u>(3,198)</u>

Due to the insignificant contribution from food and beverage business segment, the management has re-organised its reportable operating during the current financial period for the purpose of making decision about resource allocation and performance assessment. The comparative figure of previous corresponding quarter and year to-date information has been restated accordingly.

**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 2014.

Investment properties are stated at fair value as at 31 December 2014. 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.

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

Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2015

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### **A11. Subsequent Events**

There were no material events subsequent to the reporting period up to 21 August 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.

### **A12. Changes in Composition of the Group**

There were no 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 2014.

### **A14. Capital Commitments**

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

	<b>As at 30.06.2015 RM '000</b>
<b>Capital expenditure approved and contracted for:</b>	
Purchase of property, plant and equipment	90
Acquisition of computer hardware	4
Acquisition of computer software	153
	<hr/> 247 <hr/>

**CNI Holdings Berhad** (Company No.: 181758-A)Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2015

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**A15. Related Party Disclosures**

Related party transactions were summarised as follows:

	<b>Current quarter RM '000</b>	<b>Current quarter/ Cumulative period RM '000</b>
<b><u>CNI Corporation Sdn Bhd</u></b>		
Management fee paid and payable	39	100
IT and eCommerce related service	53	107
<b><u>CNI Venture Sdn Bhd</u></b>		
Research and development expenditure paid and payable	72	152
<b><u>Fortune Venture Inc</u></b>		
Sales received and receivable	1,266	2,336
<b><u>Qingdao Mark Foods Co., Ltd</u></b>		
Purchases paid and payable	93	245

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

Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2015

### 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 Second Quarter

The Group recorded revenue of RM20.7 million for the current quarter ended 30 June 2015 as compared to RM20.2 million in the previous year corresponding quarter, showed an increase of 2%.

Business Segment	Quarter Ended				Increase/(Decrease)			
	Revenue		Result		Revenue		Result	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014	RM'000	%	RM'000	%
Marketing and trading	17,395	18,594	(303)	(664)	(1,199)	-6%	361	-54%
Manufacturing	9,533	8,446	721	(528)	1,087	13%	1,249	237%
Others	1,123	2,902	(86)	1,417	(1,779)	-61%	(1,503)	-106%

The revenue of the marketing and trading segment has decreased from RM18.6 million to RM17.4 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 turned into loss position.

Sales revenue from manufacturing segment has increased from RM8.4 million to RM9.5 million, an increase of 13% as compared to the previous corresponding quarter due to more sales order were received in both local and oversea market. With the sales improvement and strengthening of US Dollars against the Ringgit Malaysia contributed to the increase in export revenue, the result has improved accordingly.

Segment of others representing investment holding business and retail – food and beverages segment. The revenue and result of this segment were decreased mainly due to decline in management fees and dividend received. Consequently, the result of the segment has turned into loss position.

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

### Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2015

#### B1. Operating Segment Review (Continued)

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

The Group recorded revenue of RM46 million for the financial period ended 30 June 2015 as compared to RM44.5 million in the previous financial period, showing an increase of 3%. The Group Loss Before Tax (“LBT”) for the financial period ended 30 June 2015 was RM1.4 million, representing an improved of 61% as compared to the Loss Before Tax (“LBT”) of RM3.6 million in the previous period ended 30 June 2014.

The increase in sales revenue and profit position for the period ended 30 June 2015 was mainly attributable to the increase of sales revenue from manufacturing segment.

Business Segment	Year to date ended				Increase/(Decrease)			
	Revenue		Result		Revenue		Result	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014	RM'000	%	RM'000	%
Marketing and trading	40,400	40,676	535	(391)	(276)	-1%	926	-237%
Manufacturing	20,781	17,672	2,238	(710)	3,109	18%	2,948	415%
Others	1,525	4,252	(884)	1,466	(2,727)	-64%	(2,350)	-160%

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

The Group’s LBT for the current quarter was RM1.9 million an increase of RM2.4 million from the PBT of RM0.49 million compared with preceding quarter. The loss has increase mainly due to lower sales from local market which impacted from the recent implementation of Goods and Services Tax (GST) in this quarter.



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

Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2015

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

The Group's second quarter results was affected by the adverse consumer sentiments towards the implementation of the Goods and Services Tax ("GST") that had come into effect on 1 April 2015. Consumer spending was weaker than expected. The GST effect we believe can be overcome by more effective marketing efforts in the sales and promotion of higher value products such as the wellness and supplementary selection. The additional allocation of extra incentives for the sales leaders, we believe shall also bring better sales growth.

Export sales and new market in Thailand and China continue to record higher demand of product sales which we trust the trend shall continue carry towards the year end.

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>30.06.2015</b>	<b>30.06.2014</b>
	<b>RM '000</b>	<b>RM '000</b>
Interest income	58	40
Gain on foreign exchange	215	9
Other income	228	314
	<hr/>	<hr/>
	502	363
	<hr/>	<hr/>

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**B5. Realised and Unrealised Profits**

	<b>As at 30.06.2015 RM '000</b>	<b>As at 31.12.2014 RM '000</b>
Total retained profits of the group		
- Realised profits	56,758	56,461
- Unrealised profits	4,057	3,965
	<hr/> 60,815	<hr/> 60,426
Total share of retained earnings from associate company		
- Realised	(2,684)	(1,896)
Less: Consolidation adjustments	(38,649)	(35,821)
	<hr/>	<hr/>
Total retained profits as per statement of financial position	<hr/> 19,482	<hr/> 22,709

**B6. Income Tax Expenses/(Credit)**

The breakdown of tax charge/(credit) 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	<hr/> (416)	<hr/> (101)

**B7. Corporate Proposals**

Save as disclosed below, there were no corporate proposals announced but not completed as at 21 August 2015 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report).

At 26<sup>th</sup> Annual General Meeting of the Company held on 3 June 2015 the Ordinary Resolutions in respect of the following were approved by the shareholders of the Company:

- a) Proposed Renewal of Shareholder Mandate and New Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature; and
- b) Proposed Renewal of Authority for the Company to Purchase its Own Shares

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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 30.06.2015 RM '000</b>
<b><u>Secured</u></b>	
Short term borrowings	18
Long term borrowings	61
	<hr/> 79 <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

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### **B11. 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:

	<b>Current quarter 30.06.2015</b>	<b>Period to Date 30.06.2015</b>
Profit attributable to the equity holders of the parent (RM'000)	(1,151)	(1,027)
Weighted average number of ordinary share ('000)	713,396	713,396
Basic earnings per ordinary share (sen)	<u>(0.16)</u>	<u>(0.14)</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 2014 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 27 August 2015.