

CNI HOLDINGS BERHAD
(Company no. : 181758-A)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
For the Third Quarter Ended 30 September 2009

	Individual Period		Cumulative Period	
	40,086 Unaudited RM '000	30-Sep-08 Unaudited RM '000	40,086 Unaudited RM '000	30-Sep-08 Unaudited RM '000
Continuing Operations				
Revenue	38,947	49,006	121,356	140,902
Operating profit	963	6,443	8,418	20,058
Financing costs	(7)	(16)	(24)	(46)
Interest income	131	249	484	780
Share of profit of associate	-	-	-	-
Profit before tax	1,087	6,676	8,878	20,792
Taxation	(648)	(1,838)	(2,891)	(5,634)
Profit for the period	439	4,838	5,987	15,158
Attributable to :				
Shareholders of the Company	412	4,838	5,972	15,158
Minority interests	27	-	15	-
Profit after tax for the period	439	4,838	5,987	15,158
Earnings per share(sen)				
Basic	0.06	0.67	0.83	2.11
Diluted	NA	NA	NA	NA

Notes :-

1) NA denotes "Not Applicable"

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements

CNI HOLDINGS BERHAD
(Company no. : 181758-A)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 SEPTEMBER 2009

	Unaudited As at 30/09/2009 RM '000	Audited As at 31/12/2008 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	47,750	51,703
Capital work in progress	409	0
Investment properties	9,043	9,043
Intangible assets	98	98
Other intangible assets	2,394	25
Deferred tax assets	2,419	2,481
	<u>62,113</u>	<u>63,350</u>
Current assets		
Inventories	24,703	27,689
Receivables	7,036	8,080
Other receivables, deposits & prepayment	4,249	4,795
Short term investment	4,592	31
Tax assets	1,165	1,647
Cash and bank balances	37,437	43,928
	<u>79,182</u>	<u>86,170</u>
TOTAL ASSETS	<u>141,295</u>	<u>149,520</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders		
Share capital	72,000	72,000
Treasury shares	(1,112)	(986)
Other reserves	(51)	(5)
Retained earnings	36,548	40,263
	<u>107,385</u>	<u>111,272</u>
Minority Interest	153	138
Total equity	<u>107,538</u>	<u>111,410</u>
Non-current liabilities		
Borrowings	119	152
Retirement benefit obligation	14,620	13,911
Deferred tax liabilities	1,728	1,729
	<u>16,467</u>	<u>15,792</u>
Current liabilities		
Trade Payables	2,517	4,429
Other Payables	14,462	15,696
Dividend payable	-	-
Current tax payables	22	1,698
Provision & cont. Liabilities	236	467
Borrowings	39	28
Bank overdraft	14	-
	<u>17,290</u>	<u>22,318</u>
Total liabilities	<u>33,757</u>	<u>38,110</u>
TOTAL EQUITY AND LIABILITIES	<u>141,295</u>	<u>149,520</u>
Net Assets	107,538	111,410
Net Assets per share (RM)	0.15	0.16

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

CNI HOLDINGS BERHAD
(Company no. : 181758-A)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 3rd Quarter Ended 30 September 2009

	<-----Non Distributable----->			Distributable		Total Equity RM '000
	Share Capital RM '000	Treasury Share RM '000	Translation Reserve RM '000	Retained Earnings RM '000	Minority Interest RM '000	
As at 1 January 2008	72,000	(764)	29	29,679		100,944
Foreign exchange translation difference			(34)			(34)
Net profit for the period				16,961	138	17,099
Purchase of Treasury Share		(222)				(222)
Interim dividends				(6,377)		(6,377)
As at 31-Dec-08	<u>72,000</u>	<u>(986)</u>	<u>(5)</u>	<u>40,263</u>	<u>138</u>	<u>111,410</u>
As at 1 January 2009	72,000	(986)	(5)	40,263	138	111,410
Foreign exchange translation difference			(46)			(46)
Net profit for the period				5,972	15	5,987
Purchase of Treasury Share		(126)				(126)
Interim dividends				(9,687)		(9,687)
As at 30-Sep-09	<u>72,000</u>	<u>(1,112)</u>	<u>(51)</u>	<u>36,548</u>	<u>153</u>	<u>107,538</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the Third Quarter Ended 30 September 2009

	Third quarter ended	
	30-Sep-09	30-Sep-08
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	9,816	16,140
Net cash (used in) /generated from investing activities	(6,574)	353
Net cash used for financing activities	(9,744)	(6,395)
Net (decrease)/increase in cash and cash equivalent	(6,502)	10,098
Effects of foreign exchange rate changes	(3)	(19)
Cash and cash equivalent at beginning of financial period	43,928	31,287
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalent at end of financial period	<u>37,423</u>	<u>41,366</u>

Cash and cash equivalent at the end of the financial period comprise the following:

	As at	As at
	30-Sep-09	30-Sep-08
	RM'000	RM'000
Cash and bank balances	7,490	6,846
Cash deposits with licensed banks	29,947	34,520
Overdraft	(14)	-
Cash and cash equivalents	<u>37,423</u>	<u>41,366</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT

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

A1. Basis of Preparation

The interim financial report has been prepared in accordance with the reporting requirements outlined in the Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2008.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2008.

A2. Audit Report on Preceding Annual Financial Statements

There was no audit qualification on the audit report of the Company’s audited financial statements for the financial year ended 31 December 2008.

A3. Seasonal or Cyclical Factors

The group’s performance is affected by seasonal or cyclical events on quarter-to-quarter basis; the demand may be skewed towards the major festivities such as Hari Raya Puasa and Chinese New Year, which normally occur at the beginning and end of the calendar year. This pattern is in line with the forecast and expectation of the Group.

A4. Unusual items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence during the quarter under review.

A5. Material Changes in Estimates

There were no material changes in estimate as compared to the preceding quarter or previous financial year.

CNI Holdings Berhad (Company No : 181758-A)

Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2009

A6. Debts and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review except for the repurchased of 229,100 of the Company's issued ordinary shares from the open market at an average purchase price of RM0.27 per share. The total consideration paid was RM62,185.49 including transaction costs and it was financed by internally generated funds. The shares repurchased were being held as treasury shares in accordance with Section 6A of the Companies Act, 1965.

As at 30 September 2009, the number of treasury share held is 2,909,200 ordinary shares.

A7. Dividend Paid

Please refer to Explanatory Note B12.

A8. Segmental Information

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

	Current Quarter		Year to-date	
	Revenue	Result	Revenue	Result
	30-Sep-09	30-Sep-09	30-Sep-09	30-Sep-09
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue				
Marketing & Trading	35,962	1,344	112,559	7,875
Manufacturing	12,337	745	34,301	2,249
Investment holding	1,630	121	18,618	14,066
Food and beverage outlets	1,091	(1,316)	2,612	(2,585)
Inter-segment elimination	(12,073)	193	(46,734)	(12,727)
	<u>38,947</u>	<u>1,087</u>	<u>121,356</u>	<u>8,878</u>
Taxation		(648)		(2,891)
Minority Interest		(27)		(15)
Profit for the period		<u>412</u>		<u>5,972</u>

A9. Valuations of Property, Plant and Equipment

The property, plant and equipment, which are stated at revalued amounts, have been brought forward without amendments from the audited financial statements for the financial year ended 31 December 2008.

CNI Holdings Berhad (Company No : 181758-A)

Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2009

A10. Events Subsequent to the End of the Period

There were no material events subsequent to the reporting period up to 26 November 2009 (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 quarter under review.

A11. Change in Group / Capital Structure

Save as disclosed below, 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 quarter under review:

On 14 September 2009, the Company subscribed 1,000,000 new ordinary shares of RM1.00 each in its wholly-owned subsidiary, Infuso Sdn. Bhd. for a total consideration of Ringgit Malaysia One Million (RM1,000,000.00) only.

A12. Contingent Liabilities

Save as disclosed below, there were no contingent liabilities as at 26 November 2009:

Special damage claim of RM295,000 by a former distributor and sale point operator of a subsidiary company for alleged wrongful termination.

A13. Capital Commitments

The outstanding capital commitments at the end of the current quarter are as follows:

	Year to-date 30-Sep-09 (RM'000)
In respect of capital expenditure approved and contracted for:-	
Purchase of property, plant and equipment	166
Acquisition of computer software	429
Acquisition of service apartment	36
	<hr/> 631 <hr/>

CNI Holdings Berhad (Company No : 181758-A)Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2009

A14. Related Party Transactions

The related party transactions for the current year-to-date were summarised as below:

Related Parties	Amount (RM)
<u>CNI Corporation Sdn Bhd</u>	
Rental revenue received and receivable	(728,040)
Management fee paid and payable	307,503
Sales received and receivable	(16,796)
<u>CNI Venture Sdn Bhd</u>	
Rental revenue received and receivable	(87,300)
Research and development expenditure paid and payable	358,626
Provision of microbiological test received and receivable	(2,896)
Sales received and receivable	(3,323)
<u>Citra Nusa Insancemerlang Investment Co.</u>	
Patent fee paid and payable	64,287
<u>PC Marketing Sdn Bhd</u>	
Rental charge paid and payable	63,000
<u>CNI Enterprise (India) Private Ltd.</u>	
Sales received and receivable	(20,066)
<u>Leader Regent Inc</u>	
Sales received and receivable	(3,639,447)
<u>CNI IPHC</u>	
Trademark fee paid and payable	142,996
<u>CNI Hong Kong Ltd.</u>	
Sales received and receivable	(116,993)
Purchase paid and payable	41,812
<u>CNI (China) Co. Ltd. (Formerly known as Qingdao CNI Food Products Co. Ltd.)</u>	
Purchase of goods and raw material	196,956
<u>Yayasan CNI</u>	
Rental revenue received and receivable	(19,200)
Sales received and receivable	(13,220)

CNI Holdings Berhad (Company No : 181758-A)

Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2009

Sepang Goldcoast Sdn Bhd

Sales received and receivable (80,723)

Fortune Venture Inc

Sales received and receivable (507,554)

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 Third Quarter Ended 30 September 2009

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

B1. Review of Performance

For the reporting quarter, the Group's recorded revenue of RM38.9 million as compared to RM49 million in the preceding year corresponding quarter. Accumulatively, the Group recorded revenue of RM 121 million for the 9 months period ended 30 Sep 2009 ("cumulative quarter").

The Group achieved a profit before taxation ("PBT") and profit after taxation ("PAT") of RM 1.1 million and RM0.4 million respectively for the reporting quarter, compared to RM6.7 million and RM4.8 million respectively in the preceding year corresponding quarter. Accumulatively, the Group achieved a PBT and PAT of RM8.9 million and RM6 million respectively for the cumulative quarter.

B2. Material Changes in the Quarterly Results Compared to the Results of the Immediate Preceding Quarter

For the current quarter under review, the Group recorded a PAT of RM0.4 million, compared to RM1.9 million in the immediate preceding quarter. The lower PAT compared to preceding quarter were mainly due to stock written off and provision for impairment loss of a food and beverage outlet's renovation cost approximately RM1 million and RM0.6 million respectively.

B3. Prospects

The Group will be launching an enhanced Distributors' Rewarding Plan on 1 January 2010 and it is confident that by enhancing the Distributors' Rewarding Plan, it will boost the sales and productivity of direct selling unit.

CNI has launched the Valued Customer program to improve accessibility and reaching out to consumer.

To further complement the Group's products availability to consumer at large, it has also moved into traditional channels of fast moving consumer goods under the non-direct selling segment. The Group believes that to operate in both the traditional and the MLM channel will further enhance the growth opportunity of the CNI group performance.

On the long run, the Group has planned to embark on "green" product development concept which has seen a growing trend towards a cleaner and healthier society among the younger generation.

CNI Holdings Berhad (Company No : 181758-A)

Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2009

B4. Variances from Profit Forecasts

Not applicable.

B5. Taxation

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

	Current Quarter 30-Sep-09 RM'000	Year to-date 30-Sep-09 RM'000
Current quarter	737	2,829
Transfer to/(from) deferred taxation	(89)	62
	<u>648</u>	<u>2,891</u>

B6. Sale of unquoted investment and/or properties

There were no sales of unquoted investments and/or properties during the quarter under review.

B7. Purchase and Disposal of Quoted Securities

There is no investment in quoted shares, excluding subsidiaries and associates, during the quarter under review.

B8. Status of Corporate Proposals

There were no corporate proposals announced as at 26 November 2009 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report).

B9. Group Borrowings and Debt Securities

	Year to-date 30-Sep-09 (RM'000)
Short term borrowing (Secured)	35
Long term borrowing (Secured)	113
	<u>148</u>

CNI Holdings Berhad (Company No : 181758-A)

Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2009

B10. Off Balance Sheet Financial Instruments

There were no material financial instruments with off balance sheet risk as at 26 November 2009 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

B11. 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.

B12. Dividend Payable

There was no dividend declared for the current financial period.

B13. Earnings Per Share

(a) Earnings per share

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

	Current Quarter 30-Sep-09	Current Year to-date 30-Sep-09
Profit attributable to the equity holders of the Parent (RM'000)	412	5,972
Weighted average number of ordinary share ('000)	717,438	717,438
Basic earnings per ordinary share (sen)	0.06	0.83

(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 current quarter.

By order of the Board,
CNI HOLDINGS BERHAD

Dato' Koh Peng Chor
Group Executive Chairman & CEO
Date: 26 November 2009