

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THIRD QUARTER ENDED 30 SEPTEMBER 2013**

	Note	Individual Period		Cumulative Period	
		30.09.2013	30.09.2012	30.09.2013	30.09.2012
		Unaudited RM '000	Unaudited RM '000	Unaudited RM '000	Unaudited RM '000
<b>Continuing Operations</b>					
<b>Operating revenue</b>		27,149	29,046	79,778	87,850
Direct operating costs		(11,201)	(12,552)	(32,850)	(37,018)
Gross profit		15,948	16,494	46,928	50,832
Other operating revenue	B4	549	1,254	1,502	1,862
Other operating costs		(15,862)	(16,300)	(47,008)	(49,284)
Finance costs		(1)	(4)	(4)	(14)
Depreciation & amortisation		(621)	(623)	(1,789)	(1,954)
		13	821	(371)	1,442
Share of losses of associate		(26)	-	(65)	-
<b>(Loss)/Profit before taxation</b>		(13)	821	(436)	1,442
Taxation		149	(503)	(312)	(843)
<b>(Loss)/Profit net of taxation</b>		136	318	(748)	599
<b>Other comprehensive income</b>					
Defined benefit plan actuarial gain		-	-	1,339	-
Foreign currency translation		88	(17)	(8)	(105)
<b>Total comprehensive income for the period</b>		224	301	583	494
<b>Profit attributable to :</b>					
Equity holders of the Company		142	368	(578)	678
Non-controlling interest		(6)	(50)	(170)	(79)
		136	318	(748)	599

## CNI HOLDINGS BERHAD

(Company No : 181758-A)

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THIRD QUARTER ENDED 30 SEPTEMBER 2013 (Continued)

#### Total comprehensive income

##### attributable to :

Equity holders of the Company	230	351	753	573
Non-controlling interest	(6)	(50)	(170)	(79)
	<u>224</u>	<u>301</u>	<u>583</u>	<u>494</u>
Earnings per share (sen)				
Basic	0.02	0.05	(0.08)	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 2012 and the explanatory notes attached to the interim financial statements.*

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2013**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	40,238	42,123
Investment properties	2,076	2,250
Investment in associate company	529	595
Investment in unquoted shares	2,000	2,000
Other intangible assets	2,328	2,742
Goodwill	725	725
Deferred tax assets	3,801	3,738
	<b>51,697</b>	<b>54,173</b>
<b>Current assets</b>		
Inventories	23,356	18,587
Trade receivables	8,542	8,869
Other receivables, deposits and prepayments	4,501	3,799
Investments	31,750	29,362
Tax assets	1,695	1,906
Cash and bank balances	3,753	9,800
	<b>73,597</b>	<b>72,323</b>
Non-current assets held for sale	1,374	5,465
<b>TOTAL ASSETS</b>	<b>126,668</b>	<b>131,961</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	72,000	72,000
Treasury shares	(1,640)	(1,602)
Defined benefit plan actuarial gain	1,339	-
Retained earnings	30,181	32,931
Other reserves	(202)	(194)
	<b>101,678</b>	<b>103,135</b>
<b>Non-controlling interest</b>	<b>905</b>	<b>1,075</b>
<b>Total Equity</b>	<b>102,583</b>	<b>104,210</b>

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2013 (Continued)**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>Non-current liabilities</b>		
Borrowings	34	38
Retirement benefits	6,610	11,595
Deferred tax liabilities	1,401	1,401
	<u>8,045</u>	<u>13,034</u>
<b>Current liabilities</b>		
Trade payables	3,666	2,435
Other payables, deposits and accruals	12,330	12,078
Provision for taxation	2	8
Provision and contingent liabilities	29	161
Borrowings	13	35
	<u>16,040</u>	<u>14,717</u>
Total liabilities	<u>24,085</u>	<u>27,751</u>
<b>TOTAL EQUITY AND LIABILITES</b>	<b><u>126,668</u></b>	<b><u>131,961</u></b>
<b>Net Assets</b>	102,583	104,210
	0.14	0.15

*The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 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 PERIOD ENDED 31 DECEMBER 2012

	← Non Distributable →				Distributable		Total Equity
	Share Capital	Treasury Shares	Translation Reserve	Fair Value Adjustment Reserve	Retained Earnings	Non-controlling Interest	
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>As at 1 January 2012</b>	72,000	(1,335)	(88)	(13)	33,778	850	105,192
<b>Comprehensive income</b>							
Profit for the year	-	-	-	-	1,301	25	1,326
<b>Other comprehensive income</b>							
Crystallisation of fair value adjustment reserve	-	-	-	13	-	-	13
Foreign currency translation	-	-	(106)	-	-	-	(106)
<b>Total comprehensive income for the year</b>	-	-	(106)	13	1,301	25	1,233
<b>Transactions with owners</b>							
Purchase of Treasury Shares	-	(267)	-	-	-	-	(267)
Acquisition of subsidiary companies	-	-	-	-	-	200	200
Interim dividends	-	-	-	-	(2,148)	-	(2,148)
Total transactions with owners	-	(267)	-	-	(2,148)	200	(2,215)
<b>As at 31 December 2012</b>	72,000	(1,602)	(194)	-	32,931	1,075	104,210

## CNI HOLDINGS BERHAD

(Company No : 181758-A)

### UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	← Non Distributable →				Distributable		Total Equity
	Share Capital	Treasury Shares	Translation Reserve	Fair Value Adjustment Reserve	Retained Earnings	Non-controlling Interest	
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>As at 1 January 2013</b>	72,000	(1,602)	(194)	-	32,931	1,075	104,210
<b>Comprehensive income</b>							
Loss for the year	-	-	-	-	(578)	(170)	(748)
<b>Other comprehensive income</b>							
Defined benefit plan actuarial gain	-	-	-	1,339	-	-	1,339
Foreign currency translation	-	-	(8)	-	-	-	(8)
<b>Total comprehensive income for the year</b>	-	-	(8)	1,339	(578)	(170)	583
<b>Transactions with owners</b>							
Purchase of Treasury Shares	-	-	38	-	-	-	(38)
Interim dividends	-	-	-	-	(2,172)	-	(2,172)
Total transactions with owners	-	(38)	-	-	(2,172)	-	(2,210)
<b>As at 30 September 2013</b>	72,000	(1,640)	(202)	1,339	30,181	905	102,583

*The condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the explanatory notes attached to the interim financial statements*

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013**

	<b>30.09.2013</b>	<b>30.09.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash Flows from Operating Activities</b>		
(Loss)/Profit before taxation	(436)	1,442
Adjustments for:-		
Provision for doubtful debts	242	-
Bad debts written off	-	2
Amortisation of intangible assets	314	331
Depreciation of property, plant and equipment	2,477	2,856
Unrealised loss/(gain) on foreign exchange	42	(30)
(Gain)/Loss on disposal of property, plant and equipment	(7)	213
Gain on disposal of investment property	-	(900)
Property, plant and equipment written off	26	369
Share of results of associated company	65	-
(Reversal of)/Provision for slowing moving inventory	(109)	240
Inventories written off	199	123
Retirement benefits expense	-	484
Provision for employee benefits	163	175
Interest expenses	5	6
Investment income	(658)	(615)
Interest revenue	(58)	(67)
Operating profit before working capital changes	<u>2,265</u>	<u>4,629</u>
(Increase)/Decrease in inventories	(4,859)	1,139
Increase in receivables	(581)	(709)
Increase/(Decrease) in payables	445	(1,480)
Cash (used in)/generated from operations	<u>(2,730)</u>	<u>3,579</u>
<b>Cash Flows from Operating Activities</b>		
Interest paid	(5)	(6)
Interest received	58	67
Tax paid	(177)	(794)
Net cash (used in)/generated from operating activities	<u>(2,854)</u>	<u>2,846</u>

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

	<b>30.09.2013</b>	<b>30.09.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash Flows from Investing Activities</b>		
Investment income	658	615
Purchase of property, plant and equipment	(1,057)	(2,023)
Purchase of intangible assets	(82)	(75)
Purchase of investment property	-	(850)
Proceeds from disposal of property, plant and equipment	63	73
Proceeds from disposal of investment property	5,465	4,400
Investment in associate companies	-	(16)
Acquisition of unquoted shares	-	(150)
Retirement benefit expenses	(3,647)	(4,377)
Net cash generated from/(used in) investing activities	<u>1,400</u>	<u>(2,403)</u>
<b>Cash Flows from Financing Activities</b>		
Repayment of term loans	(23)	(22)
Purchase of treasury shares	(38)	(268)
Repayment of hire purchase liabilities	(2)	(2)
Dividend paid	(2,172)	(2,148)
Net cash used in financing activities	<u>(2,235)</u>	<u>(2,440)</u>
Effect of exchange rate changes	30	(102)
Net decrease in cash and cash equivalent	(3,659)	(2,099)
Cash and cash equivalent at beginning of the financial year	39,162	37,989
Cash and cash equivalent at end of the financial year	<u>35,503</u>	<u>35,890</u>

*The condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the explanatory notes attached to the interim financial statement*



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

Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2013

### 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 2012. 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 2012.

##### A2. Significant Accounting Policies

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

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

		<b>For financial periods beginning on or after</b>
<u>New MFRS</u>		
MFRS 9	Financial Instruments	1 January 2015
<u>Amendments/Improvements MFRS</u>		
MFRS 10	Consolidated Financial Statements	1 January 2013 and 1 January 2014
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013 and 1 January 2014
MFRS 127	Separate Financial Statements	1 January 2014
MFRS 132	Financial Instruments : Presentation	1 January 2013 and 1 January 2014
MFRS 136	Impairment of Assets	1 January 2014
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2014
<u>New IC Int</u>		
IC Int 21	Levies	1 January 2014

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

### Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2013

#### **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 2013.

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

There were no material changes in estimates that have had any material effect in the quarter and cumulative period ended 30 September 2013.

#### **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 2013:

The Company bought back from the open market, 254,100 ordinary shares of RM1.00 each of the Company ("CNI Shares") at an average buy-back price of RM0.106 per share. The total consideration paid, including transaction cost, was RM26,876 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 2013, the number of treasury shares held was 6,388,100 CNI Shares.

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

As at 30 September 2013, the Group does not have any financial liabilities measured at fair value through profit or loss.

#### **A8. Dividends Paid**

During the last quarter, the interim dividend of RM0.004 per ordinary share less 25% income tax in respect of the financial year ended 31 December 2012, amounting to RM2,141,598 was paid on 18 April 2013.

There was no dividend declared and paid during the current quarter.

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

Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2013

**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
	30.09.13	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)
	27,149	13	79,778	(371)
Share of losses of associate		(26)		(65)
Taxation		149		(312)
Non-controlling interest		6		170
Profit for the period		142		(578)

Business Segment	Previous Year Corresponding Quarter		Previous Year to-date	
	Revenue	Result	Revenue	Result
	30.09.12	30.09.12	30.09.12	30.09.12
	RM'000	RM'000	RM'000	RM'000
Marketing and trading	26,453	1,116	81,227	4,030
Manufacturing	8,891	(1,303)	28,219	(2,494)
Investment holding	1,086	756	7,707	4,887
Retail - Food and beverage	371	(234)	1,787	(783)
Inter-segment elimination	(7,755)	486	(31,090)	(4,198)
	29,046	821	87,850	1,442
Taxation		(503)		(843)
Non-controlling interest		50		79
Profit for the period		368		678

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

Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2013

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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 2012.

Investment properties are stated at fair value as at 31 December 2012. 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 November 2013 (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.

Sepang Goldcoast Sdn Bhd (“the Vendor”) had on 19 November 2013 repurchased the Properties in whole from Infuso Sdn. Bhd. (“the Purchaser”), a wholly-owned subsidiary of CNI Holdings Berhad for a total re-purchase price of Ringgit Malaysia Six Million Seventy Five Thousand Nine Hundred Thirty Three Only (RM6,075,933.00).

### **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 2012.

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

Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2013

**A14. Capital Commitments**

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

	<b>As at 30.09.2013 RM '000</b>
<b>Capital expenditure approved and contracted for:</b>	
Purchase of property, plant and equipment	14
Acquisition of computer software	93
	<hr/> <b>107</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>		
Rental revenue received and receivable	28	85
Management fee paid and payable	71	204
IT and eCommerce related service	100	300
<b><u>CNI Venture Sdn Bhd</u></b>		
Rental revenue received and receivable	29	87
Sales received and receivable	2	4
Research and development expenditure paid and payable	115	331
<b><u>Citra Nusa Insancemerlang Investment Co.</u></b>		
Patent fee paid and payable	19	56
<b><u>PC Marketing Sdn Bhd</u></b>		
Rental charge paid and payable	23	69
<b><u>Leader Regent Inc</u></b>		
Sales received and receivable	378	660

**CNI Holdings Berhad** (Company No.: 181758-A)Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2013

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**A15. Related Party Disclosures (Continued)**

	<b>Current quarter RM '000</b>	<b>Cumulative period RM '000</b>
<b><u>CNI IPHC</u></b>		
Trademark fee paid and payable	48	140
<b><u>CNI Hong Kong Limited</u></b>		
Purchase of goods	14	64
<b><u>CNI (China) Co. Ltd.</u></b>		
Purchase of goods and raw material	179	416
Sales received and receivable	-	267
<b><u>Sepang Goldcoast Sdn Bhd</u></b>		
Sales received and receivable	70	141
Rental revenue received and receivable	60	180
IT and eCommerce related service	4	4
<b><u>Fortune Venture Inc</u></b>		
Sales received and receivable	727	1,918
<b><u>Golden Palm Tree Resort &amp; Spa Sdn Bhd</u></b>		
Sales received and receivable	12	20
<b><u>Qingdao Mark Foods Co., Ltd</u></b>		
Sales received and receivable	109	109

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 2013

### 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 RM27.2 million for the current quarter ended 30 September 2013 as compared to RM29.0 million in the previous year corresponding quarter, showed a decrease of 6%.

Business Segment	Quarter Ended				Increase/(Decrease)			
	Revenue		Result		Revenue		Result	
	30.09.13	30.09.12	30.09.13	30.09.12	RM'000	%	RM'000	%
Marketing and trading	26,539	26,453	706	1,116	86	0%	(410)	-37%
Manufacturing	11,151	8,891	(472)	(1,303)	2,260	25%	831	64%
Investment holding	1,167	1,086	287	756	81	7%	(469)	-62%
Retail - Food and beverage	393	371	(18)	(234)	22	6%	216	92%

The revenue of the marketing and trading segment has remained at the same level of RM26.5 million as compared to previous corresponding quarter. However, the result for the third quarter has decreased by 37% as compared to the previous corresponding quarter because more marketing and promotion expenses were spent on the new enhanced commission scheme introduced in third quarter 2013 for the direct selling business.

Sales revenue from manufacturing segment has increased from RM8.9mil to RM11.2 million as compared to the corresponding quarter last year as the export sales increased. With the sales improvement in manufacturing segment, the result for the quarter was improved accordingly.

On the other hand, the investment holdings business revenue has increased by 7% as compared to the corresponding quarter last year. The better result was mainly due to the gain on disposal of investment property amounted to RM0.9mil. If the gain on disposal were excluded, the current period result will be better than last corresponding quarter due to the decrease of director remuneration and corporate advertisement expenses.

The revenue of retail – food and beverages segment has increased slightly by 6% as compared to the corresponding quarter last year. However, the current quarter result has improved significantly because there were losses incurred on disposal of fixed asset from closure of loss making outlets in the corresponding quarter last year.

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

### Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2013

#### B1. Operating Segment Review (Cont'd)

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

The Group recorded revenue of RM 79.8 million for the financial period ended 30 September 2013 as compared to RM87.9 million in the previous year, showing a decrease of 9%. The Group Loss Before Tax ("LBT") for the financial period ended 30 September 2013 was RM0.4 million, representing a decrease of 129% as compared to the Profit Before Tax ("PBT") RM1.4 million in the previous period ended 30 September 2012.

The decline in year-to-date sales revenue and LBT for the period ended 30 September 2013 as compared to the last corresponding year-to-date was attributable to the lower revenue from direct selling business and manufacturing business.

Business Segment	Year to date ended				Increase/(Decrease)			
	Revenue		Result		Revenue		Result	
	30.09.13	30.09.12	30.09.13	30.09.12				
	RM'000	RM'000	RM'000	RM'000	RM'000	%	RM'000	%
Marketing and trading	74,296	81,227	2,218	4,030	(6,931)	-9%	(1,812)	-45%
Manufacturing	31,976	28,219	(1,335)	(2,494)	3,757	13%	1,159	46%
Investment holding	7,334	7,707	4,042	4,887	(373)	-5%	(845)	-17%
Retail - Food and beverage	1,248	1,787	(18)	(783)	(539)	-30%	765	98%

#### B2 **Material Change in Profit Before Taxation ("PBT") of Current Quarter Compared with Preceding Quarter**

The Group's LBT for the current quarter was RM13,000, a decrease of 102% from the PBT of RM0.8 million compared with preceding quarter. The loss position in current quarter was mainly due to the declined result from marketing and trading segment although there are mitigating effects from the manufacturing segment.



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

Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2013

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

Direct Selling shall remain the core business of the group. To remain competitive, the Group will continue its commitment in enhancing its research and development capabilities to roll out more market driven products to achieve its revenue and profit growth objective.

The Group is expecting the commencement of its Thailand's operation in the first quarter of 2014. The new market will further enhance the group's business and strengthen the group's financial performance. The company has also developed a more aggressive incentive model to its members and the new model has been rolled out in July 2013. This new incentive model is aim to further expand the new membership recruitment drive as well as to elevate sales productivity.

The Group's manufacturing arm remains committed to expand and widen its local and export market via external contracts manufacturing and international trading in its drive for continuous growth. In turn, this will enhance its plant optimization to achieve maximum cost optimization.

Barring any unforeseen circumstances, the Board expects the Group's financial performance to remain stable for the remainder of the year 2013.

### **B4. Other Operating Income**

	<b>Current Quarter</b>	<b>Previous Year Corresponding Quarter</b>
	<b>30.09.2013</b>	<b>30.09.2012</b>
	<b>RM '000</b>	<b>RM '000</b>
Interest income	5	26
Forex (loss)/gain	(13)	31
Other income	557	1,197
	<hr/>	<hr/>
	549	1,254
	<hr/>	<hr/>

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**B5. Realised and Unrealised Profits**

	<b>As at 30.09.2013 RM '000</b>	<b>As at 31.12.2012 RM '000</b>
Total retained profits of the group		
- Realised profits	69,498	72,491
- Unrealised profits/(losses)	2,674	3,122
	<u>72,172</u>	<u>75,613</u>
Total share of retained earnings from associate company		
- Realised	(256)	(191)
Less: Consolidation adjustments	(41,734)	(42,491)
Total retained profits as per statement of financial position	<u>30,181</u>	<u>32,931</u>

**B6. Income Tax Expenses**

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

	<b>Current quarter RM '000</b>	<b>Year to-date RM '000</b>
Current quarter/ year to-date	<u>(149)</u>	<u>312</u>

**B7. Corporate Proposals**

There were no corporate proposals announced but not completed as at 20 November 2013 (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 30.09.2013 RM '000</b>
<b><u>Secured</u></b>	
Short term borrowings	13
Long term borrowings	34
	<hr/> 47 <hr/>

**B9. Material Litigation**

There was no material litigation against the Group as at the reporting date.

**B10. Proposed Dividend**

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

**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 30.09.2013</b>	<b>Year to Date 30.09.2013</b>
Profit attributable to the equity holders of the parent (RM'000)	142	(578)
Weighted average number of ordinary share ('000)	713,791	713,864
Basic earnings per ordinary share (sen)	<hr/> 0.02 <hr/>	<hr/> (0.08) <hr/>

**(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.

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**B12. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2012 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 25 November 2013.