

CNI HOLDINGS BERHAD
(Company No : 181758-A)

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

	Note	Individual Period		Cumulative Period	
		30.09.2015	30.09.2014	30.09.2015	30.09.2014
		Unaudited RM '000	Unaudited RM '000	Unaudited RM '000	Unaudited RM '000
Operating revenue		22,284	22,183	68,268	66,636
Direct operating costs		(10,261)	(9,312)	(29,651)	(28,215)
Gross profit		12,023	12,871	38,617	38,421
Other operating revenue	B4	1,004	592	2,217	1,575
Other operating costs		(13,925)	(14,227)	(41,211)	(42,628)
Finance costs		-	-	(3)	(2)
Depreciation & amortisation		(576)	(578)	(1,686)	(1,729)
		(1,474)	(1,342)	(2,066)	(4,363)
Share of results of associates		274	(346)	(513)	(883)
Loss before taxation		(1,200)	(1,688)	(2,579)	(5,246)
Taxation		(21)	(353)	80	(266)
Loss net of taxation		(1,221)	(2,041)	(2,499)	(5,512)
Other comprehensive loss					
Foreign currency translation		(30)	(135)	297	(173)
Total comprehensive loss for the period		(1,251)	(2,176)	(2,202)	(5,685)
Loss attributable to :					
Equity holders of the Company		(920)	(1,668)	(1,938)	(4,866)
Non-controlling interests		(301)	(373)	(561)	(646)
		(1,221)	(2,041)	(2,499)	(5,512)

CNI HOLDINGS BERHAD

(Company No : 181758-A)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THIRD QUARTER ENDED 30 SEPTEMBER 2015 (Continued)

	Individual Period		Cumulative Period	
	30.09.2015 Unaudited RM '000	30.09.2014 Unaudited RM '000	30.09.2015 Unaudited RM '000	30.09.2014 Unaudited RM '000
Total comprehensive loss				
attributable to :				
Equity holders of the Company	(950)	(1,803)	(1,641)	(5,039)
Non-controlling interests	(301)	(373)	(561)	(646)
	<u>(1,251)</u>	<u>(2,176)</u>	<u>(2,202)</u>	<u>(5,685)</u>
Earnings per share (sen)				
Basic	(0.13)	(0.23)	(0.27)	(0.68)
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 SEPTEMBER 2015

	Unaudited As at 30.09.2015 RM '000	Audited As at 31.12.2014 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	37,276	37,913
Investment properties	1,400	1,400
Investment in associate company	3,125	3,090
Investment in unquoted shares	1,254	1,254
Investment in preference share	3,500	3,500
Other intangible assets	2,012	2,745
Goodwill	200	200
Deferred tax assets	3,403	3,210
	52,170	53,312
Current assets		
Inventories	16,392	14,621
Trade receivables	11,196	12,633
Other receivables, deposits and prepayments	3,766	5,226
Investments	9,220	19,779
Tax assets	839	1,235
Cash and bank balances	17,114	9,891
	58,527	63,385
TOTAL ASSETS	110,697	116,697
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	72,000	72,000
Treasury shares	(1,674)	(1,663)
Retained earnings	18,571	22,709
Other reserves	(55)	(352)
	88,842	92,694
Non-controlling interests	(427)	134
Total Equity	88,415	92,828

CNI HOLDINGS BERHAD
(Company No : 181758-A)

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

	Unaudited	Audited
	As at	As at
	30.09.2015	31.12.2014
	RM '000	RM '000
	_____	_____
Non-current liabilities		
Borrowings	46	60
Retirement benefits	6,968	6,730
Deferred tax liabilities	1,097	1,317
	_____	_____
	8,111	8,107
	_____	_____
Current liabilities		
Trade payables	2,553	4,840
Other payables, deposits and accruals	11,314	10,806
Provision and contingent liabilities	278	86
Borrowings	26	30
	_____	_____
	14,171	15,762
	_____	_____
Total liabilities	22,282	23,869
	_____	_____
TOTAL EQUITY AND LIABILITES	110,697	116,697
	_____	_____
Net Assets	88,415	92,828
Net assets per share (RM)	0.12	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		Total Equity
	Share Capital	Treasury Shares	Currency 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)	31,204	814	102,149
Comprehensive loss						
Loss for the year	-	-	-	(6,612)	(680)	(7,292)
Other comprehensive income/(loss)						
Remeasurement of defined benefit liability	-	-	-	258	-	258
Foreign currency translation	-	-	(123)	-	-	(123)
Total comprehensive loss for the year	-	-	(123)	(6,354)	(680)	(7,157)
Transactions with owners						
Purchase of treasury shares	-	(23)	-	-	-	(23)
Dividends	-	-	-	(2,141)	-	(2,141)
Total transactions with owners	-	(23)	-	(2,141)	-	(2,164)
As at 31 December 2014	72,000	(1,663)	(352)	22,709	134	92,828

CNI HOLDINGS BERHAD

(Company No : 181758-A)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 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
As at 1 January 2015	72,000	(1,663)	(352)	22,709	134	92,828
Comprehensive income						
Loss for the period	-	-	-	(1,938)	(561)	(2,499)
Other comprehensive loss						
Foreign currency translation	-	-	297	-	-	297
Total comprehensive income/(loss) for the period	-	-	297	(1,938)	(561)	(2,202)
Transactions with owners						
Purchase of treasury shares	-	(11)	-	-	-	(11)
Interim dividends	-	-	-	(2,200)	-	(2,200)
Total transactions with owners	-	(11)	-	(2,200)	-	(2,211)
As at 30 September 2015	72,000	(1,674)	(55)	18,571	(427)	88,415

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 THIRD QUARTER ENDED 30 SEPTEMBER 2015

	30.09.2015	30.09.2014
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows from Operating Activities		
Loss before taxation	(2,579)	(5,246)
Adjustments for:-		
Amortisation of intangible assets	486	386
Depreciation of property, plant and equipment	1,922	2,195
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	(143)	(85)
Inventories written off	149	77
Investment income	(257)	(675)
Property, plant and equipment written off	124	134
Povision/(Reversal) for employee benefits expenses	553	(46)
Reversal of impairment loss on trade and other receivables	-	(191)
Retirement benefits expense	237	250
Share of loss of associated companies	513	883
Reversal of slowing moving inventory	-	23
Unrealised gain on foreign exchange	(1,046)	97
Operating loss before working capital changes	(37)	(2,262)
Increase in inventories	(1,919)	(728)
Decrease in receivables	942	5,895
Increase/(Decrease) in payables	840	(946)
Cash generated (used in)/from operations	(174)	1,959
Interest paid	(3)	(2)
Interest received	143	85
Retirement benefit paid	-	(800)
Tax paid	(375)	(738)
Tax refund	459	-
Net cash from operating activities	50	504

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (Continued)

	30.09.2015	30.09.2014
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows from Investing Activities		
Net cash outflow on acquisition of subsidiary company	(1)	-
Investment income	257	675
Purchase of property, plant and equipment	(604)	(1,586)
Purchase of intangible assets	(526)	(69)
Proceeds from disposal of property, plant and equipment	66	117
Proceeds from disposal of other intangible asset	278	-
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>(1,078)</u>	<u>(3,559)</u>
Cash Flows from Financing Activities		
Repayment of term loans	(4)	(25)
Purchase of treasury shares	(11)	(23)
Repayment of hire purchase liabilities	(18)	(5)
Dividend paid	(2,200)	(2,141)
Net cash used in financing activities	<u>(2,233)</u>	<u>(2,194)</u>
Effect of exchange rate changes	(75)	(9)
Net decrease in cash and cash equivalent	(3,336)	(5,258)
Cash and cash equivalent at beginning of the financial period	29,670	33,750
Cash and cash equivalent at end of the financial period	<u>26,334</u>	<u>28,492</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:

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
<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 Third Quarter Ended 30 September 2015

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>		Effective for financial periods beginning on or after
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 September 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 September 2015.

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 2015

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 2015:

The Company bought back from the open market, 100,000 ordinary shares of RM0.10 each of the Company (“CNI Shares”) at an average buy-back price of RM0.07 per share. The total consideration paid, including transaction costs, was RM7,053.75 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 2015, the number of treasury shares held was 6,738,100 CNI Shares.

A7. Fair Value Changes of Financial Liabilities

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

A8. Dividends Paid

During the last quarter, 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.

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

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 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
	30.09.2015	30.09.2015	30.09.2015	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Marketing and trading	20,039	(210)	60,440	325
Manufacturing	6,714	(269)	27,495	1,969
Others	2,160	991	3,684	114
Inter-segment elimination	(6,629)	(1,986)	(23,351)	(4,474)
	22,284	(1,474)	68,268	(2,066)
Share of results of associates		274		(513)
Income tax expense		(21)		80
Non-controlling interests		301		561
Profit for the period		(920)		(1,938)

Business Segment	Previous Year Corresponding Quarter		Previous Year to-date	
	Revenue	Result	Revenue	Result
	30.09.2014	30.09.2014	30.09.2014	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Marketing and trading	18,692	(1,493)	59,367	(1,884)
Manufacturing	7,619	(1,091)	25,291	(1,802)
Others	1,505	253	5,757	1,719
Inter-segment elimination	(5,633)	989	(23,779)	(2,396)
	22,183	(1,342)	66,636	(4,363)
Share of results of associates		(346)		(883)
Income tax expense		(353)		(266)
Non-controlling interests		373		646
Loss for the period		(1,668)		(4,866)

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.

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 2015

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.

A11. Subsequent Events

Save as disclosed below, there were no material events subsequent to the reporting period up to 20 November 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.

Infuso Sdn Bhd (“Infuso”), a wholly-owned subsidiary of the Company had on 23 October 2015, disposed of 649,250 ordinary shares of RM1.00 each, representing 49% equity interest in Tunas Citarasa Sdn Bhd (“TCSB”) for a total cash consideration of Ringgit Malaysia One (RM1.00) only (“Disposal”). Subsequent to the Disposal, TCSB will cease to be an associate Company of CNI.

A12. Changes in Composition of the Group

Save as disclosed below, 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.

CNI Enterprise (M) Sdn Bhd (“CNIE”) a wholly owned subsidiary of the Company had on 18 September 2015, acquired thirty thousand (30,000) ordinary shares of RM1.00 each, representing the remaining 30% of the total issued and paid-up share capital of CNI Petro Sdn Bhd (Formerly known as Agriscience Biotech (Malaysia) Sdn Bhd) (“CNIP”) for a total consideration of Ringgit Malaysia One (RM1.00) only (“Acquisition”). Upon the Acquisition, CNIP has become a wholly-owned subsidiary of CNIE.

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 2015

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:

	As at 30.09.2015 RM '000
Capital expenditure approved and contracted for:	
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 Third Quarter Ended 30 September 2015

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	117	217
IT and eCommerce related service	53	160
<u>CNI Venture Sdn Bhd</u>		
Research and development expenditure paid and payable	49	201
<u>Fortune Venture Inc</u>		
Sales received and receivable	689	3,025
<u>Qingdao Mark Foods Co., Ltd</u>		
Purchases paid and payable	-	93
Sales received and receivable	167	319
<u>CNI IPHC</u>		
Trademark fee paid and payable	58	165
<u>Sepang Goldcoast Sdn Bhd</u>		
Rental received and receivable	67	189
<u>CNI Hong Kong Limited</u>		
Purchases paid and payable	-	319
<u>CIS Solutions Sdn Bhd</u>		
Purchases paid and payable	-	91
Royalty fee received and receivable	75	285
<u>Law Yang Keat</u>		
Sales development and marketing advisory paid and payable	27	81
<u>Koh Teng Kiat</u>		
Corporate finance and treasury services paid and payable	28	135

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

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

The Group recorded revenue of RM22.28 million for the current quarter ended 30 September 2015 as compared to RM22.18 million in the previous year corresponding quarter, showed an increase of 0.45%.

Business Segment	Quarter Ended				Increase/(Decrease)			
	Revenue		Result		Revenue		Result	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014	RM'000	%	RM'000	%
Marketing and trading	20,039	18,692	(210)	(1,493)	1,347	7%	1,283	-86%
Manufacturing	6,714	7,619	(269)	(1,091)	(905)	-12%	822	75%
Others	2,160	1,505	991	253	655	44%	738	292%

The revenue of the marketing and trading segment has increased from RM18.7 million to RM20.0 million, an increase of 7% as compared to the previous corresponding quarter. The increased in revenue was mainly derived from the expansion of direct selling business to oversea market. Consequently, the result of marketing and trading segment has improved accordingly.

Sales revenue from manufacturing segment has decreased from RM7.6 million to RM6.7 million, a decrease of 12% as compared to the previous corresponding quarter due to decrease in sales order for oversea market. With strengthening of US Dollars against the Ringgit Malaysia contributed to the increase in foreign currency exchange gain, 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 increased mainly due to higher dividend received. Consequently, the result of the segment has improved accordingly.

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 2015

B1. Operating Segment Review (Continued)

(b) Results for Financial Period-to-date

The Group recorded revenue of RM68.3 million for the financial period ended 30 September 2015 as compared to RM66.6 million in the previous financial period, showing an increase of 2%. The Group Loss Before Tax (“LBT”) for the financial period ended 30 September 2015 was RM2.6 million, representing an improved of 51% as compared to the Loss Before Tax (“LBT”) of RM5.2 million in the previous period ended 30 September 2014.

The increase in sales revenue and lower losses for the period ended 30 September 2015 was mainly attributable to the increase of sales revenue from direct selling and manufacturing segment, foreign currency exchange gain has further improved the Group results.

Business Segment	Year to date ended				Increase/(Decrease)			
	Revenue		Result		Revenue		Result	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014	RM'000	%	RM'000	%
Marketing and trading	60,440	59,367	325	(1,884)	1,073	2%	2,209	-117%
Manufacturing	27,495	25,291	1,969	(1,802)	2,204	9%	3,771	209%
Others	3,684	5,757	114	1,719	(2,073)	-36%	(1,605)	-93%

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

The Group’s LBT for the current quarter was RM1.2 million a decreased of RM0.7 million from the LBT of RM1.9 million compared with preceding quarter. The losses has decrease mainly due to foreign currency exchange gain and profit from share of result from associates.

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 2015

B3 Commentary on Prospects and Targets

The various sales and marketing initiatives together with extra incentive for the leaders, the new market in Thailand have compensated the much anticipated demand adjustment post GST and as a result the Group posted an increase in revenue for the third quarter. With the steady growth of export sales, the revenue trend is expected to continue into the fourth quarter. However, the higher cost of import and marketing and promotion costs continue to have an adverse impact on operating margin of the marketing and trading segment.

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.

The Board of Directors will continue to be mindful of the operating cost and seek new opportunities to enhance operating efficiency.

B4. Other Operating Income

	Current Quarter	Previous Year Corresponding Quarter
	30.09.2015	30.09.2014
	RM '000	RM '000
Interest income	45	24
Gain on foreign exchange	877	56
Other income	82	512
	<hr/>	<hr/>
	1,004	592
	<hr/>	<hr/>

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

B5. Realised and Unrealised Profits

	As at 30.09.2015 RM '000	As at 31.12.2014 RM '000
Total retained profits of the group		
- Realised profits	54,414	56,461
- Unrealised profits	4,752	3,965
	<hr/> 59,166	<hr/> 60,426
Total share of retained earnings from associate company		
- Realised	(2,409)	(1,896)
Less: Consolidation adjustments	(38,185)	(35,821)
	<hr/>	<hr/>
Total retained profits as per statement of financial position	<hr/> 18,572	<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:

	Current quarter RM '000	Period to-date RM '000
Current quarter/ period to-date	<hr/> 21	<hr/> (80)

B7. Corporate Proposals

There were no corporate proposals announced but not completed as at 20 November 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 Third Quarter Ended 30 September 2015

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 30.09.2015 RM '000
<u>Secured</u>	
Short term borrowings	26
Long term borrowings	46
	<hr/> 72 <hr/>

B9. Material Litigation

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

B10. Proposed Dividend

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

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B11. Earnings Per Share

(a) Earnings per share

The basic earnings per share for the current quarter and financial period-to-date are computed as follow:

	Current quarter 30.09.2015	Period to Date 30.09.2015
Loss attributable to the equity holders of the parent (RM'000)	(920)	(1,938)
Weighted average number of ordinary share ('000)	713,325	713,361
Basic earnings per ordinary share (sen)	<u>(0.13)</u>	<u>(0.27)</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 26 November 2015.