

CNI HOLDINGS BERHAD
(Company No : 181758-A)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME
 FOR SECOND QUARTER ENDED 30 JUNE 2016**

	Note	Individual Period		Cumulative Period	
		30.06.2016	30.06.2015	30.06.2016	30.06.2015
		Unaudited RM '000	Unaudited RM '000	Unaudited RM '000	Unaudited RM '000
Operating revenue		25,734	20,730	48,842	45,984
Direct operating costs		(11,041)	(9,808)	(20,225)	(19,390)
Gross profit		14,693	10,922	28,617	26,594
Other operating revenue	B4	744	502	483	1,213
Other operating costs		(14,806)	(12,462)	(30,161)	(27,285)
Finance costs		(2)	(2)	(5)	(3)
Depreciation & amortisation		(526)	(564)	(1,055)	(1,119)
		103	(1,604)	(2,121)	(600)
Share of results of associates		(184)	(270)	(419)	(788)
Loss before taxation		(81)	(1,874)	(2,540)	(1,388)
Taxation		(55)	416	740	101
Loss net of taxation		(136)	(1,458)	(1,800)	(1,287)
Other comprehensive (loss)/income					
Foreign currency translation		(273)	(30)	344	9
Total comprehensive (loss)/income for the period		(409)	(1,488)	(1,456)	(1,278)
Profit/(Loss) attributable to :					
Equity holders of the Company		(271)	(1,151)	(1,804)	(1,027)
Non-controlling interests		135	(307)	4	(260)
		(136)	(1,458)	(1,800)	(1,287)

CNI HOLDINGS BERHAD
(Company No : 181758-A)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME**
FOR SECOND QUARTER ENDED 30 JUNE 2016 (Continued)

	Individual Period		Cumulative Period	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
	Unaudited	Unaudited	Unaudited	Unaudited
	RM '000	RM '000	RM '000	RM '000
Total comprehensive (loss)/profit attributable to :				
Equity holders of the Company	(544)	(1,181)	(1,460)	(1,018)
Non-controlling interests	135	(307)	4	(260)
	<u>(409)</u>	<u>(1,488)</u>	<u>(1,456)</u>	<u>(1,278)</u>
Earnings per share (sen)				
Basic	(0.04)	(0.16)	(0.25)	(0.14)
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 2015 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 2016

	Unaudited	Audited
	As at	As at
	30.06.2016	31.12.2015
	RM '000	RM '000
	_____	_____
ASSETS		
Non-current assets		
Property, plant and equipment	35,041	35,891
Investment properties	1,400	1,400
Investment in associate company	2,454	2,911
Investment in unquoted shares	1,254	1,254
Investment in preference share	3,500	3,500
Other intangible assets	1,857	1,990
Goodwill	200	200
Deferred tax assets	2,163	1,595
	_____	_____
	47,869	48,741
Current assets		
Inventories	13,937	14,357
Trade receivables	14,333	13,091
Other receivables, deposits and prepayments	2,335	5,415
Investments	12,108	13,167
Tax assets	411	629
Cash and bank balances	8,742	12,838
	_____	_____
	51,866	59,497
	_____	_____
TOTAL ASSETS	99,735	108,238
	_____	_____
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	72,000	72,000
Treasury shares	(1,679)	(1,674)
Retained earnings	9,851	13,795
Other reserves	(984)	(1,328)
	_____	_____
	79,188	82,793
Non-controlling interests	990	986
	_____	_____
Total Equity	80,178	83,779
	_____	_____

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2016 (Continued)

Non-current liabilities

Borrowings	33	44
Retirement benefits	7,100	6,823
Deferred tax liabilities	1,434	1,764
	<u>8,567</u>	<u>8,631</u>

Current liabilities

Trade payables	1,021	3,392
Other payables, deposits and accruals	9,895	12,367
Provision and contingent liabilities	51	41
Borrowings	23	28
	<u>10,990</u>	<u>15,828</u>

Total liabilities

19,557 24,459

TOTAL EQUITY AND LIABILITES

99,735 **108,238**

Net Assets

80,178 83,779

Net assets per share (RM)

0.11 0.12

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 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 SECOND QUARTER ENDED 30 JUNE 2016**

	← 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 2015	72,000	(1,663)	(352)	22,709	134	92,828
Comprehensive loss						
Profit/(Loss) for the year	-	-	-	(6,163)	78	(6,085)
Other comprehensive income/(loss)						
Foreign currency translation	-	-	(976)	223	-	(753)
Total comprehensive loss for the year	-	-	(976)	(5,940)	78	(6,838)
Transactions with owners						
Share repurchased	-	(11)	-	-	-	(11)
Reclassification	-	-	-	(834)	834	-
Dividends paid on shares	-	-	-	(2,140)	(60)	(2,200)
Total transactions with owners	-	(11)	-	(2,974)	774	(2,211)
As at 31 December 2015	72,000	(1,674)	(1,328)	13,795	986	83,779

CNI HOLDINGS BERHAD

(Company No : 181758-A)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2016

	← 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 2016	72,000	(1,674)	(1,328)	13,795	986	83,779
Comprehensive income						
Profit/(Loss) for the period	-	-	-	(1,804)	4	(1,800)
Other comprehensive loss						
Defined benefit plan actuarial gain	-	-	-	-	-	-
Foreign currency translation	-	-	344	-	-	344
Total comprehensive income/(loss) for the period	-	-	344	(1,804)	4	(1,456)
Transactions with owners						
Purchase of treasury shares	-	(5)	-	-	-	(5)
Interim dividends	-	-	-	(2,140)	-	(2,140)
Total transactions with owners	-	(5)	-	(2,140)	-	(2,145)
As at 30 June 2016	72,000	(1,679)	(984)	9,851	990	80,178

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 2015 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 2016

	30.06.2016	30.06.2015
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows from Operating Activities		
(Loss)/Profit before taxation	(2,540)	(1,388)
Adjustments for:-		
Amortisation of intangible assets	261	318
Bad debts written off	-	234
Depreciation of property, plant and equipment	1,136	1,304
Interest expenses	5	3
Interest revenue	(106)	(97)
Inventories written off	154	10
Investment income	(1,037)	(242)
Loss on disposal of property, plant and equipment	6	1
Property, plant and equipment written off	30	36
Provision/(Reversal) for employee benefits expenses	(18)	413
Retirement benefits expense	155	158
Share of loss of associated companies	420	788
Unrealised loss/(gain) on foreign exchange	1,314	(353)
Operating (loss)/profit before working capital changes	<u>(220)</u>	<u>1,185</u>
Increase in inventories	270	(2,983)
(Increase)/Decrease in receivables	(831)	745
Increase in payables	(3,513)	(1,834)
Cash (used in)/generated from operations	<u>(4,294)</u>	<u>(2,887)</u>
Interest paid	(5)	(3)
Interest received	106	97
Tax paid	(44)	(524)
Tax refund	260	669
Net cash (used in)/ from operating activities	<u>(3,977)</u>	<u>(2,648)</u>

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (Continued)

	30.06.2016	30.06.2015
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows from Investing Activities		
Net cash outflow on acquisition of subsidiary company	-	(1)
Investment income	1,037	242
Purchase of property, plant and equipment	(442)	(624)
Purchase of intangible assets	(10)	(346)
Proceeds from disposal of property, plant and equipment	3	65
Proceeds from disposal of other intangible asset	-	237
Investment in associate companies	-	(548)
Net cash from/(used in) investing activities	<u>588</u>	<u>(975)</u>
Cash Flows from Financing Activities		
Repayment of term loans	-	(4)
Purchase of treasury shares	(5)	(4)
Repayment of hire purchase liabilities	(16)	(11)
Dividend paid	(2,140)	(2,200)
Net cash used in financing activities	<u>(2,161)</u>	<u>(2,219)</u>
Effect of exchange rate changes	<u>395</u>	<u>(167)</u>
Net (decrease)/increase in cash and cash equivalent	(5,155)	(6,009)
Cash and cash equivalent at beginning of the financial year	26,005	29,670
Cash and cash equivalent at end of the financial period	<u>20,850</u>	<u>23,661</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 2015 and the explanatory notes attached to the interim financial statement

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

Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2016

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 2015. 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 2015.

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
MFRS 16	Leases	1 January 2019
<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	Deferred/ 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 2016

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:

		Effective for financial periods beginning on or after
<u>Amendments/Improvements to MFRSs (Continued)</u>		
MFRS 12	Disclosure of Interests in Other Entities	1 January 2016
MFRS 101	Presentation of Financial Statements	1 January 2016
MFRS 107	Statement of Cash Flows	1 January 2017
MFRS 112	Income Taxes	1 January 2017
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 and Joint Ventures	Deferred/ 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 2016.

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 2016.

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

Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2016

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 2016.

As at 30 June 2016, the number of treasury shares held was 6,787,100 CNI Shares.

A7. Fair Value Changes of Financial Liabilities

As at 30 June 2016, 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 2016, a single tier interim dividend of RM0.003 per ordinary share in respect of the financial year ended 31 December 2015, amounted to RM2,139,639 was paid on 13 April 2016.

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
	30.06.2016	30.06.2016	30.06.2016	30.06.2016
	RM'000	RM'000	RM'000	RM'000
Marketing and trading	21,827	(888)	42,268	(2,913)
Manufacturing	10,552	902	19,491	1,249
Others	752	750	3,122	1,841
Inter-segment elimination	(7,397)	(661)	(16,039)	(2,298)
	<u>25,734</u>	103	<u>48,842</u>	(2,121)
Share of results of associates		(184)		(420)
Income tax expense		(55)		740
Non-controlling interests		<u>(135)</u>		<u>(3)</u>
Profit for the period		<u>(271)</u>		<u>(1,804)</u>

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

Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2016

Business Segment	Previous Year Corresponding Quarter		Previous Year to-date	
	Revenue	Result	Revenue	Result
	30.06.2015	30.06.2015	30.06.2015	30.06.2015
	RM'000	RM'000	RM'000	RM'000
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		<u>307</u>		<u>260</u>
Profit for the period		<u>(1,151)</u>		<u>(1,027)</u>

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 2015

Investment properties are stated at fair value as at 31 December 2015. 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 22 August 2016 (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.

CNI Petro Sdn Bhd, the Company's subsidiary had changed its name to GTI Eco Solutions Sdn Bhd with effect from 28 June 2016 as stipulated in the Certificate of Incorporation on Change of Name of Company issued by the the Companies Commission of Malaysia, which was received by the Company on 12 July 2016.

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

Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2016

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 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 2015.

A14. Capital Commitments

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

	As at 30.06.2016 RM '000
Capital expenditure approved and contracted for:	
Purchase of property, plant and equipment	335
Acquisition of computer software	23
	<hr/>
	358
	<hr/>

CNI Holdings Berhad (Company No.: 181758-A)Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2016

A15. Related Party Disclosures

Related party transactions were summarized as follows:

	Current quarter RM '000	Cumulative quarter RM '000
<u>CNI Corporation Sdn Bhd</u>		
Management fee paid and payable	113	221
IT and eCommerce related service	53	105
<u>CNI Venture Sdn Bhd</u>		
Research and development expenditure paid and payable	67	131
<u>Fortune Venture Inc</u>		
Sales received and receivable	1,781	2,622
<u>Qingdao Mark Foods Co., Ltd</u>		
Sales received and receivable	96	201
<u>CNI IPHC</u>		
Trademark fee paid and payable	76	158
<u>Sepang Goldcoast Sdn Bhd</u>		
Rental received and receivable	76	152
<u>CIS Solutions Sdn Bhd</u>		
Royalty fee received and receivable	189	249
<u>Law Yang Keat</u>		
Sales development and marketing advisory paid and payable	27	54
<u>Koh Teng Kiat</u>		
Corporate finance and treasury services paid and payable	46	94

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

Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2016

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's revenue for the current quarter ended 30 June 2016 was RM25.7 million, an increase of 24% as compared to the revenue in last year corresponding period of RM20.7 million.

Business Segment	Quarter Ended				Increase/ (Decrease)			
	Revenue		Result		Revenue		Result	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015	RM'000	%	RM'000	%
	RM'000	RM'000	RM'000	RM'000	RM'000	%	RM'000	%
Marketing and trading	21,827	17,395	(888)	(303)	4,432	25%	(585)	-193%
Manufacturing	10,552	9,533	902	721	1,019	11%	181	25%
Others	752	1,123	750	(86)	(371)	-33%	836	972%

The revenue of the marketing and trading segment increased from RM17.4 million to RM21.8 million, an increase of 25% as compared to the previous corresponding quarter. This was mainly attributable to higher revenue from local direct selling business. However, the result of the marketing and trading segment was in loss position mainly due to higher marketing costs and dividend income received in the previous corresponding quarter but none for this quarter.

The revenue of the manufacturing segment increased from RM9.5 million to RM10.5 million, an increase of 11% as compared to the previous corresponding quarter due to more sales order were received from overseas market. Hence, result of the manufacturing segment has improved accordingly.

Segment of others representing investment holding and retail - food and beverages businesses. The revenue of this segment was decreased mainly due to no dividend income received for this quarter. Higher result contributed by other income received from investment in preference shares.

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

Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2016

B1. Operating Segment Review (Continued)(b) Results for Financial Year-to-date

The Group recorded revenue of RM48.8 million for the financial period ended 30 June 2016 as compared to RM46.0 million in the previous financial period, representing an increase of 6%. The Group Loss Before Tax (“LBT”) for the financial period ended 30 June 2016 was RM2.5 million, as compared to LBT of RM1.4 million in the previous period ended 30 June 2015.

Despite of an increase in revenue for the period ended 30 June 2016, the Group remains with loss position mainly due to foreign exchange loss.

Business Segment	Year-to-date ended				Increase/(Decrease)			
	Revenue		Result		Revenue		Result	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015	RM'000	%	RM'000	%
	RM'000	RM'000	RM'000	RM'000	RM'000	%	RM'000	%
Marketing and trading	42,268	40,400	(2,913)	535	1,868	5%	(3,448)	-644%
Manufacturing	19,491	20,781	1,249	2,238	(1,290)	-6%	(989)	-44%
Others	3,122	1,525	1,841	(884)	1,597	105%	2,725	308%

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

The Group’s LBT for the current quarter was RM0.08 million, a decrease of RM2.4 million as compared to the LBT in previous preceding quarter of RM 2.5 million. The improvement mainly due to an increase in revenue and dividend income received from investment of preference share for this quarter.

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

Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2016

B3 Commentary on Prospects and Targets

The Group remains optimistic on developing new markets and trading activities in Indochina to take advantage of opportunities in the Indochina markets. The Group has ventured into Thailand and Myanmar market and experienced a steady growth resulting from various persistent marketing and promotional efforts to encourage sales and new membership. The Group also plans to venture into prospect markets such as Cambodia and Laos in 2016 and beyond.

The Group is confident of its research and development capabilities to continuously enhance enzyme powder and develop enzyme in capsule form for China and Indochina market.

For the manufacturing segment, the Group will continue its commitment in the enhancement and innovation of its product research and development capabilities and streamlining its product processes to reduce wastage and to achieve cost optimization for greater efficiency. Further emphasis will be placed on expanding overseas consumer market and export sales, especially to China and Indochina.

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

B4. Other Operating Income

	Current Quarter	Previous Year Corresponding Quarter
	30.06.2016	30.06.2015
	RM '000	RM '000
Interest income	33	58
(Loss)/Gain on foreign exchange	(558)	216
Other income	1,269	228
	<u>744</u>	<u>502</u>

CNI Holdings Berhad (Company No.: 181758-A)Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2016

B5. Realised and Unrealised Profits

	As at 30.06.2016 RM '000	As at 31.12.2015 RM '000
Total retained profits of the group		
- Realised profits	39,415	50,507
- Unrealised profits	3,443	2,792
	<u>42,858</u>	<u>53,299</u>
Total share of retained earnings from associate company		
- Realised	(3,043)	(2,623)
Less: Consolidation adjustments	(29,964)	(36,881)
	<u>9,851</u>	<u>13,795</u>
Total retained profits as per statement of financial position	<u>9,851</u>	<u>13,795</u>

B6. Income Tax Expenses/ (Credit)

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

	Current quarter RM '000	Year to-date RM '000
Current quarter/ year to-date	<u>55</u>	<u>(740)</u>

B7. Corporate Proposals

Save as disclosed below. There were no corporate proposals announced but not completed as at 22 August 2016 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report).

At 27th Annual General Meeting of the Company held on 26 May 2016, the Ordinary Resolutions in respect of the following were approved by 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

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

Unaudited Financial Results of the Group for Second Quarter Ended 30 June 2016

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 30.06.2016 RM '000
<u>Secured</u>	
Short term borrowings	23
Long term borrowings	33
	<hr/> 56 <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:

	Current quarter 30.06.2016	Year to Date 30.06.2016
Loss attributable to the equity holders of the parent (RM'000)	(271)	(1,804)
Weighted average number of ordinary share ('000)	713,213	713,229
Basic earnings per ordinary share (sen)	(0.04)	(0.25)

(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 2015 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 August 2016.