

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
For the Fourth Quarter Ended 31 December 2009

	Individual Period		Cumulative Period	
	31-Dec-09 Unaudited RM '000	31-Dec-08 Unaudited RM '000	31-Dec-09 Unaudited RM '000	31-Dec-08 Unaudited RM '000
Continuing Operations				
Revenue	37,022	41,125	158,379	182,028
Operating profit	1,302	2,860	9,677	23,209
Financing costs	(5)	(9)	(29)	(56)
Interest income	167	324	694	814
Share of profit of associate	-	-	-	-
Profit before tax	1,464	3,175	10,342	23,967
Taxation	(747)	(633)	(3,637)	(6,266)
Profit for the period	717	2,542	6,705	17,701
Attributable to :				
Shareholders of the Company	673	2,553	6,645	17,712
Minority interests	44	(11)	60	(11)
Profit after tax for the period	717	2,542	6,705	17,701
Earnings per share(sen)				
Basic	0.09	0.35	0.93	2.47
Diluted		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 31 December 2009

	Unaudited As at 31/12/2009 RM '000	Audited As at 31/12/2008 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	47,239	51,703
Capital work in progress	-	-
Investment properties	9,113	9,043
Investment in unquoted share	500	-
Intangible assets	98	98
Other intangible assets	2,374	25
Deferred tax assets	3,340	2,481
	<u>62,664</u>	<u>63,350</u>
Current assets		
Inventories	20,414	27,689
Receivables	9,526	8,080
Other receivables, deposits & prepayment	4,034	4,795
Short term investment	5,623	31
Tax assets	939	1,647
Cash and bank balances	37,475	43,928
	<u>78,011</u>	<u>86,170</u>
TOTAL ASSETS	<u>140,675</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	(46)	(5)
Retained earnings	37,221	40,263
	<u>108,063</u>	<u>111,272</u>
Minority Interest	198	138
Total equity	<u>108,261</u>	<u>111,410</u>
Non-current liabilities		
Borrowings	143	152
Retirement benefit obligation	14,695	13,911
Deferred tax liabilities	1,823	1,729
	<u>16,661</u>	<u>15,792</u>
Current liabilities		
Trade Payables	1,469	4,429
Other Payables	13,086	15,696
Dividend payable	-	-
Current tax payables	605	1,698
Provision & cont. Liabilities	443	467
Borrowings	5	28
Bank overdraft	145	-
	<u>15,753</u>	<u>22,318</u>
Total liabilities	<u>32,414</u>	<u>38,110</u>
TOTAL EQUITY AND LIABILITIES	<u>140,675</u>	<u>149,520</u>
Net Assets	108,261	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 Fourth Quarter Ended 31 December 2009

	Share Capital RM '000	<-----Non Distributable-----> Treasury Share RM '000	Translation Reserve RM '000	Distributable Retained Earnings RM '000	Minority Interest RM '000	Total Equity 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 shares	-	(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	-	-	(41)	-	-	(41)
Net profit for the period	-	-	-	6,645	60	6,705
Purchase of treasury shares	-	(126)	-	-	-	(126)
Interim dividends	-	-	-	(9,687)	-	(9,687)
As at 31-Dec-09	<u>72,000</u>	<u>(1,112)</u>	<u>(46)</u>	<u>37,221</u>	<u>198</u>	<u>108,261</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

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

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the Fourth Quarter Ended 31 December 2009**

	Fourth Quarter Ended	
	31-Dec-09 (Unaudited) RM'000	31-Dec-08 (Unaudited) RM'000
Net cash generated from operating activities	11,695	14,804
Net cash (used in) /generated from investing activities	(8,556)	1,111
Net cash used for financing activities	(9,718)	(6,403)
Net (decrease)/increase in cash and cash equivalent	(6,579)	9,512
Effects of foreign exchange rate changes	(19)	24
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>37,330</u>	<u>40,823</u>

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

	As at 31-Dec-09 RM'000	As at 31-Dec-08 RM'000
Cash and bank balances	6,789	4,452
Cash deposits with licensed banks	30,686	36,371
Bank overdraft	(145)	-
Cash and cash equivalents	<u>37,330</u>	<u>40,823</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.

CNI Holdings Berhad (Company No : 181758-A)

Unaudited Financial Results of the Group for the Fourth Quarter Ended 31 December 2009

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.

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A6. Debts and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review

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
	31-Dec-09	31-Dec-09	31-Dec-09	31-Dec-09
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue				
Marketing & Trading	33,637	223	146,196	8,098
Manufacturing	9,929	503	44,230	2,752
Investment holding	1,430	472	20,048	14,538
Food and beverage outlets	1,061	(762)	3,673	(3,347)
Inter-segment elimination	(9,035)	1,028	(55,768)	(11,699)
	<u>37,022</u>	1,464	158,379	10,342
Taxation		(747)		(3,637)
Minority Interest		(44)		(60)
Profit for the period		<u>673</u>		<u>6,645</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.

A10. Events Subsequent to the End of the Period

There were no material events subsequent to the reporting period up to 25 February 2010 (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.

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Unaudited Financial Results of the Group for the Fourth Quarter Ended 31 December 2009

A11. Change in Group / Capital Structure

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.

A12. Contingent Liabilities

Save as disclosed below, there were no contingent liabilities as at 25 February 2010:

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 31-Dec-09 (RM'000)
In respect of capital expenditure approved and contracted for :-	
Purchase of property, plant and equipment	309
Acquisition of computer software	9
	<hr/> <hr/> 318

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	(1,006,901)
Management fee paid and payable	433,674
Sales received and receivable	(17,707)

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Unaudited Financial Results of the Group for the Fourth Quarter Ended 31 December 2009

<u>CNI Venture Sdn Bhd</u>	
Rental revenue received and receivable	(116,400)
Research and development expenditure paid and payable	462,875
Provision of microbiological test received and receivable	(3,819)
Sales received and receivable	(4,069)
<u>Citra Nusa Insancemerlang Investment Co.</u>	
Patent fee paid and payable	84,896
<u>PC Marketing Sdn Bhd</u>	
Rental charge paid and payable	84,000
<u>CNI Enterprise (India) Private Ltd.</u>	
Sales received and receivable	(848)
<u>Leader Regent Inc</u>	
Sales received and receivable	(5,108,959)
<u>CNI IPHC</u>	
Trademark fee paid and payable	211,346
<u>CNI Hong Kong Ltd.</u>	
Sales received and receivable	(116,878)
Purchase paid and payable	70,056
<u>CNI (China) Co. Ltd. (Formerly known as Qingdao CNI Food Products Co. Ltd.)</u>	
Purchase of goods and raw material	307,266
<u>Yayasan CNI</u>	
Rental revenue received and receivable	(28,800)
Sales received and receivable	(22,787)
<u>Sepang Goldcoast Sdn Bhd</u>	
Sales received and receivable	(131,926)
<u>Fortune Venture Inc</u>	
Sales received and receivable	(1,872,532)

These transactions have been entered into in the normal course of business and have been established on commercial terms.

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Unaudited Financial Results of the Group for the Fourth Quarter Ended 31 December 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 RM37 million as compared to RM41 million in the preceding year corresponding quarter. Accumulatively, the Group recorded revenue of RM158 million for the 12 month period ended 31 December 2009 ("cumulative quarter").

The Group achieved a profit before taxation ("PBT") and profit after taxation ("PAT") of RM1.5 million and RM0.7 million respectively for the reporting quarter, compared to RM3.2 million and RM2.5 million respectively in the preceding year corresponding quarter. Accumulatively, the Group achieved a PBT and PAT of RM10.3 million and RM6.7 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 RM0.7 million, compared to RM0.4 million in the immediate preceding quarter. The higher PAT compared to preceding quarter was mainly due to reversal of provision for retirement benefit of RM0.3 million.

B3. Prospects

In line with the Group's continuous effort to improve accessibility and reaching out to consumers, CNI has launched the Valued Customer Programme. In conjunction with the Valued Customer Programme, Retail Centres will be introduced for the convenience of CNI valued customers as well as distributors to obtain CNI products and services. To further enhance service to customers and provide brand new experience with CNI, an Experience Centre is in the progress of construction at the Group HQ.

With the launching of the Consumer Incentive Programme, CNI offers its consumers and members the opportunity to enjoy great savings from reasonably priced quality products besides getting rewarded with a special incentive. Therefore, the sales productivity of the consumers and members of the company is promising.

The Group is also leveraging on its food and beverage outlets, Otak-Otak Place, to synergise with the strategy of Valued Customer expansion plan. In addition, the Group is also embarking on licensing of Otak-Otak Place which will offer both business opportunity and products of the Group to the consumers.

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Unaudited Financial Results of the Group for the Fourth Quarter Ended 31 December 2009

The Group will continue to focus on streamlining its resources and increasing productivity across the board.

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 31-Dec-09 RM'000	Year to-date 31-Dec-09 RM'000
Current quarter/ year	1,574	4,402
Transfer to/(from) deferred taxation	(827)	(765)
	<u>747</u>	<u>3,637</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 25 February 2010 (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 31-Dec-09 (RM'000)
Short term borrowing (Secured)	5
Long term borrowing(Secured)	143
	<u>148</u>

CNI Holdings Berhad (Company No : 181758-A)

Unaudited Financial Results of the Group for the Fourth Quarter Ended 31 December 2009

B10. Off Balance Sheet Financial Instruments

There were no material financial instruments with off balance sheet risk as at 25 February 2010 (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

The Board of Directors has declared an interim dividend of 0.8 sen per ordinary share less 25% income tax for the financial year ended 31 December 2009 on 25 February 2010. The interim dividend will be paid on 8 April 2010 to the depositors registered in the Record of Depositors at the close of business on 18 March 2010.

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 31-Dec-09	Current Year to-date 31-Dec-09
Profit attributable to the equity holders of the Parent (RM'000)	673	6,645
Weighted average number of ordinary share ('000)	717,316	717,316
Basic earnings per ordinary share (sen)	0.09	0.93

(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.

CNI Holdings Berhad (Company No : 181758-A)

Unaudited Financial Results of the Group for the Fourth Quarter Ended 31 December
2009

By order of the Board,
CNI HOLDINGS BERHAD

Dato' Koh Peng Chor
Group Executive Chairman & CEO
Date: 25 February 2010