

CNI HOLDINGS BERHAD
(Company No : 181758-A)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THIRD QUARTER ENDED 30 SEPTEMBER 2012**

	Note	Individual period		Cumulative Period	
		30.09.2012	30.09.2011	30.09.2012	30.09.2011
		Unaudited RM '000	Unaudited RM '000	Unaudited RM '000	Unaudited RM '000
Continuing Operations					
Operating revenue		29,046	28,984	87,850	95,612
Direct operating costs		(12,552)	(12,956)	(37,018)	(40,487)
Gross profit		16,494	16,028	50,832	55,124
Other operating revenue	B4	1,254	441	1,862	1,484
Other operating costs		(16,300)	(16,146)	(49,284)	(51,844)
Finance costs		(4)	(14)	(14)	(19)
Depreciation & amortisation		(623)	(734)	(1,954)	(2,191)
Profit before taxation		821	(425)	1,442	2,554
Taxation		(503)	-	(843)	(930)
Profit net of taxation		318	(425)	599	1,624
Other comprehensive income					
Foreign currency translation		(17)	(38)	(105)	(51)
Total comprehensive income for the period		301	(462)	494	1,573
Profit attributable to :					
Equity holders of the Company		368	(450)	678	1,533
Non-controlling interest		(50)	25	(79)	91
		318	(425)	599	1,624
Total comprehensive income attributable to :					
Equity holders of the Company		351	(488)	573	1,482
Non-controlling interest		(50)	25	(79)	91
		301	(462)	494	1,573
Earnings per share (sen)					
Basic		0.05	0.06	0.09	0.22
Diluted		NA	NA	NA	NA

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 2012

	Unaudited	Audited
	As at	As at
	30.09.2012	31.12.2011
	RM '000	RM '000
	_____	_____
ASSETS		
Non-current assets		
Property, plant and equipment	42,876	44,502
Investment properties	2,250	8,400
Investment in associate company	54	38
Investment in unquoted shares	2,649	2,000
Other intangible assets	2,247	2,777
Goodwill	725	725
Other receivables, deposits and prepayments	-	16
Deferred tax assets	3,655	3,848
	_____	_____
	54,456	62,306
Current assets		
Inventories	19,576	21,079
Trade receivables	7,757	8,330
Other receivables, deposits and prepayments	4,254	2,960
Investments	27,057	21,845
Tax assets	2,118	2,142
Cash and bank balances	8,834	16,143
	_____	_____
	69,596	72,499
Non-current assets held for sale	4,665	1,165
	_____	_____
TOTAL ASSETS	128,717	135,970
	_____	_____
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	72,000	72,000
Treasury shares	(1,603)	(1,335)
Retained earnings	32,308	33,778
Other reserves	(207)	(101)
	_____	_____
	102,498	104,342
Non-controlling interest	771	850
	_____	_____
Total Equity	103,269	105,192
	_____	_____

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012 (Continued)

	Unaudited	Audited
	As at	As at
	30.09.2012	31.12.2011
	RM '000	RM '000
	_____	_____
Non-current liabilities		
Borrowings	70	73
Retirement benefits	11,591	15,483
Deferred tax liabilities	2,046	2,046
	_____	_____
	13,707	17,602
	_____	_____
Current liabilities		
Trade payables	1,425	2,708
Other payables, deposits and accruals	9,933	10,030
Provision for taxation	16	185
Provision and contingent liabilities	355	221
Borrowings	11	32
	_____	_____
	11,740	13,176
	_____	_____
Total liabilities	25,447	30,778
	_____	_____
TOTAL EQUITY AND LIABILITES	128,716	135,970
	_____	_____
Net Assets	103,269	105,192
Net Assets per share (RM)	0.14	0.15

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 YEAR ENDED 31 DECEMBER 2011

	← 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
As at 1 January 2011	72,000	(1,302)	(3)	(13)	35,044	342	106,068
Comprehensive income							
Profit for the year	-	-	-	-	2,010	21	2,031
Other comprehensive income							
Foreign currency translation	-	-	(85)	-	-	-	(85)
Total comprehensive income for the year	-	-	(85)	-	2,010	21	1,946
Transactions with owners							
Purchase of Treasury Shares	-	(33)	-	-	-	-	(33)
Acquisition of subsidiary companies	-	-	-	-	-	487	487
Interim dividends	-	-	-	-	(3,276)	-	(3,276)
Total transactions with owners	-	(33)	-	-	(3,276)	487	(2,822)
As at 31 December 2011	72,000	(1,335)	(88)	(13)	33,778	850	105,192

CNI HOLDINGS BERHAD

(Company No : 181758-A)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 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
As at 1 January 2012	72,000	(1,335)	(88)	(13)	33,778	850	105,192
Comprehensive income							
Profit for the year	-	-	-	-	678	(79)	599
Other comprehensive income							
Foreign currency translation	-	-	(106)	-	-	-	(106)
Total comprehensive income for the year	-	-	(106)	-	678	(79)	493
Transactions with owners							
Purchase of Treasury Shares	-	(268)	-	-	-	-	(268)
Interim dividends	-	-	-	-	(2,147)	-	(2,147)
Total transactions with owners	-	(268)	-	-	(2,147)	-	(2,415)
As at 30 September 2012	72,000	(1,603)	(194)	(13)	32,308	771	103,269

The condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 2012

	30.09.2012	30.09.2011
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows from Operating Activities		
Profit before taxation	1,442	2,746
Adjustments for:-		
Bad debts written off	(2)	(30)
Amortisation of intangible assets	331	321
Depreciation of property, plant and equipment	2,856	3,119
Unrealised loss on foreign exchange	(30)	(30)
Loss on disposal of property, plant and equipment	213	11
Gain on disposal of investment property	(900)	-
Property, plant and equipment written off	369	26
Inventories written off	363	260
Retirement benefits expense	484	241
Provision for employee benefits	175	939
Interest expenses	47	24
Investment income	(184)	(211)
Interest revenue	(76)	(81)
Operating profit before working capital changes	<u>5,088</u>	<u>7,335</u>
Decrease/(Increase) in inventories	1,139	(3,242)
Increase in receivables	(704)	(982)
Decrease in payables	(5,856)	(55)
Cash (used in)/generated from operations	<u>(333)</u>	<u>3,056</u>
Cash Flows from Operating Activities		
Interest paid	(47)	(24)
Interest received	76	81
Tax paid	(794)	(1,435)
Net cash (used in)/generated from operating activities	<u>(1,098)</u>	<u>1,678</u>

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

	30.09.2012	30.09.2011
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows from Investing Activities		
Investment income	183	211
Purchase of property, plant and equipment	(2,023)	(3,030)
Purchase of intangible assets	(75)	(227)
Purchase of investment property	(850)	-
Proceeds from disposal of property, plant and equipment	73	-
Proceeds from disposal of investment property	4,400	-
Investment in associate companies	(16)	(103)
Investment in unquoted share	-	250
Acquisition of unquoted shares	(150)	-
Net cash generated from/(used in) investing activities	<u>1,542</u>	<u>(2,899)</u>
Cash Flows from Financing Activities		
Repayment of term loans	(22)	(21)
Purchase of treasury shares	(268)	(33)
Repayment of hire purchase liabilities	(2)	(2)
Dividend paid	(2,148)	(3,276)
Net cash used in financing activities	<u>(2,440)</u>	<u>(3,332)</u>
Effect of exchange rate changes	(102)	(67)
Net decrease in cash and cash equivalent	(2,098)	(4,620)
Cash and cash equivalent at beginning of the financial year	37,989	40,086
Cash and cash equivalent at end of the financial year	<u>35,891</u>	<u>35,466</u>

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 2012

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), International Accounting Standard ("IAS") 134: Interim Financial Reporting, issued by the International Accounting Standard Board ("IASB") and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards (FRSs).

The interim financial statements are the Group’s first MFRS compliant interim financial statements and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been adopted.

The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transactional opportunities under MFRS 1. The impact of the transition from FRS and MFRS is described in Note A2 below.

A2. Significant Accounting Policies

Application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. As the requirements applicable to the Group under FRS and MFRS are similar, the significant accounting policies adopted in preparing the interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011.

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

Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2012

A2. Significant Accounting Policies (Continued)

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:

	For financial periods beginning on or after
Presentations of Items of Other Comprehensive Income (Amendments to MFRS 101)	1 July 2012
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits (as amended in November 2011)	1 January 2013
MFRS 127 Separate Financial Statements (as amended in November 2011)	1 January 2013
MFRS 128 Investments in Associates and Joint Venture (as amended in November 2011)	1 January 2013
Amendments to MFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities	1 January 2014
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015

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.

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

Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2012

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 2012.

A5. Changes in Estimates

There were no material changes in estimates that have had any material effect in the third quarter and cumulative period ended 30 September 2012.

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 2012:

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 RM0.12 per share. The total consideration paid, including transaction costs, was RM12,087.60 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 2012, the number of treasury shares held was 6,034,000 CNI Shares.

A7. Fair Value Changes of Financial Liabilities

As at 30 September 2012, 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 0.4 sen per ordinary share less 25% income tax in respect of the financial year ended 31 December 2011, amounting to RM2,147,575 was paid on 19 April 2012.

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

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Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2012

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
	30.09.12	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)
	<u>29,046</u>	<u>821</u>	<u>87,850</u>	<u>1,442</u>
Taxation		(503)		(843)
Non-controlling interest		50		79
Profit for the period		<u>368</u>		<u>678</u>

Business Segment	Previous Year Corresponding Quarter		Previous Year to-date	
	Revenue	Result	Revenue	Result
	30.09.11	30.09.11	30.09.11	30.09.11
	RM'000	RM'000	RM'000	RM'000
Marketing and trading	25,617	2,242	84,343	5,879
Manufacturing	9,116	(198)	31,504	1,331
Investment holding	1,210	91	8,336	4,451
Retail - Food and beverage	1,238	(298)	4,390	(1,000)
Inter-segment elimination	(8,197)	(2,262)	(32,961)	(8,107)
	<u>28,984</u>	<u>(425)</u>	<u>95,612</u>	<u>2,554</u>
Taxation		-		(930)
Non-controlling interest		(25)		(91)
Profit for the period		<u>(450)</u>		<u>1,533</u>

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

Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2012

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 2011.

Investment properties are stated at fair value as at 30 September 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 23 November 2012 (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., a wholly-owned subsidiary of the Company, has transferred Two Million Six Hundred Thousand (2,600,000) ordinary shares of RM1.00 each, representing 100% of the issued and paid-up share capital of Regal Effect Sdn Bhd, an indirect wholly-owned subsidiary of the Company to CNI Enterprise (M) Sdn Bhd, another wholly-owned subsidiary of the Company for Ringgit Malaysia One (RM1.00) only.

The name of Regal Effect Sdn Bhd has been changed to “CNI Global (Malaysia) Sdn. Bhd.” effective 29 October 2012.

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 2011.

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

Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2012

A14. Capital Commitments

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

	As at 30.09.2012 RM '000
Capital expenditure approved and contracted for:	
Purchase of property, plant and equipment	18
Acquisition of computer software	8
	<hr/>
	26
	<hr/>

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>		
Rental revenue received and receivable	31	112
Management fee paid and payable	72	218
IT and eCommerce related service	122	365
<u>CNI Venture Sdn Bhd</u>		
Rental revenue received and receivable	29	87
Sales received and receivable	-	1
Research and development expenditure paid and payable	89	292
Provision of microbiological test received and receivable	10	19
<u>Citra Nusa Insancemerlang Investment Co.</u>		
Patent fee paid and payable	18	56
<u>PC Marketing Sdn Bhd</u>		
Rental charge paid and payable	21	63
<u>Leader Regent Inc</u>		
Sales received and receivable	221	1,775

CNI Holdings Berhad (Company No.: 181758-A)Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2012

A15. Related Party Disclosures (Continued)

	Current quarter RM '000	Cumulative period RM '000
<u>CNI IPHC</u>		
Trademark fee paid and payable	47	140
<u>CNI Hong Kong Limited</u>		
Purchase of goods	24	24
<u>CNI (China) Co. Ltd.</u>		
Purchase of goods and raw material	-	311
Sales received and receivable	103	181
<u>Sepang Goldcoast Sdn Bhd</u>		
Sales received and receivable	57	88
Rental revenue received and receivable	24	24
<u>Fortune Venture Inc</u>		
Sales received and receivable	422	1,292
<u>Golden Palm Tree Resort & Spa Sdn Bhd</u>		
Sales received and receivable	12	27
Purchase of hotels and related services	-	7

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 2012

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 RM29.05 million for the current quarter ended 30 September 2012 as compared to RM28.98 million in the previous year corresponding quarter, showed a slight increase of 0.2%.

Business Segment	Quarter Ended				Increase/(Decrease)			
	Revenue		Result		Revenue		Result	
	30.09.12	30.09.11	30.09.12	30.09.11	RM'000	%	RM'000	%
Marketing and trading	26,453	25,617	1,116	2,242	836	3%	(1,126)	-50%
Manufacturing	8,891	9,116	(1,303)	(198)	(225)	-2%	(1,105)	-558%
Investment holding	1,086	1,210	756	91	(124)	-10%	665	726%
Retail - Food and beverage	371	1,238	(234)	(298)	(867)	-70%	64	21%

The revenue of the marketing and trading segment has increased from RM25.62 million to RM26.45 million, an increase of 3% as compared to the corresponding quarter last year. The increase was mainly resulted from the sales contribution from the new subsidiaries admitted last year end. The higher net profit before tax in the last corresponding quarter was mainly due to the dividend income of RM2 million received from a subsidiary. If the dividend income were excluded, the current period result will be higher than last corresponding quarter as the direct selling segment had achieved better result.

On the other hand, the manufacturing segment revenue has decreased by 2% as compared to the corresponding quarter last year. The decline of net profit before tax is mainly attributable to larger spending on advertising and promotion activities.

The net profit before tax of investment holdings segment has increased by RM0.67 million which was mainly derived from the sales of investment property in the current quarter. In contrast, it has led to lower rental income and resulted in decline of revenue in the investment holdings business segment.

Sales revenue from retail – food and beverages segment has decreased in line with the closure of several outlets in year 2011 and 2012. Although the sales revenue has decreased by RM0.88 million, the retail – food and beverage segment had managed to achieve a better result in line with closure of loss making outlets.

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

Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2012

B1. Operating Segment Review (Continued)

(b) Results for Financial Year-to-date

The Group recorded revenue of RM87.9 million for the financial period ended 30 September 2012 as compared to RM95.6 million in the previous year, showing a decrease of 8%. The Group PBT for the financial period ended 30 September 2012 was RM1.4 million, representing a decrease of 46% as compared to RM2.6 million in the previous period ended 30 September 2011.

The decline in sales revenue and PBT for the period ended 30 September 2012 was attributable to the similar reasons stated in previous section.

Business Segment	Year to date ended				Increase/(Decrease)			
	Revenue	Revenue	Result	Result	Revenue		Result	
	30.09.12	30.09.11	30.09.12	30.09.11	RM'000	%	RM'000	%
Marketing and trading	81,227	84,343	4,030	5,879	(3,116)	-4%	(1,849)	-31%
Manufacturing	28,219	31,504	(2,494)	1,331	(3,285)	-10%	(3,825)	-287%
Investment holding	7,707	8,336	4,887	4,451	(629)	-8%	436	10%
Retail - Food and beverage	1,787	4,390	(783)	(1,000)	(2,603)	-59%	217	22%

B2 Material Change in Profit Before Taxation of Current Quarter Compared with Preceding Quarter

The Group's profit before tax ("PBT") for the current quarter was RM0.8 million, an increase of 300% from the loss before tax of RM0.4 million compared with preceding quarter. The change in PBT was due to higher PBT from investment holdings segment resulted from the sales of investment property. It has mitigated the lower PBT from marketing and trading and manufacturing segment in the current quarter. Furthermore, the retail – food & beverage segment had achieved better result in line with the closure of loss making outlet.

B3 Commentary on Prospects and Targets

Direct selling remains the core business of the group. The group shall continue tap on its expertise in the research and development of new products especially food supplements and the coffee beverage series to serve its unique network marketing channel as well as its trading export markets via its manufacturing arm.

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Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2012

B3 Commentary on Prospects and Targets (Continued)

The group is preparing to enter the Thailand direct selling market. This new market, when fully operational, will further drive the group's business and strengthen the group's financial performance. The company is also in the process of enhancing its membership benefits scheme to attract more new members and to boost higher sales productivity of its members.

Our manufacturing arm is confident of its export and external contracts favourable increase; which will result in the optimization of its manufacturing capacity.

Barring any unforeseen circumstances, the Board expects the Group's financial performance to remain resilient for the remainder of the year 2012.

B4. Other Operating Income

	Current Quarter 30.09.2012 RM '000	Previous Year Corresponding Quarter 30.09.2011 RM '000
Interest income	26	26
Forex gain/(loss)	31	(49)
Other income	1,197	464
	<u>1,254</u>	<u>441</u>

B5. Realised and Unrealised Profits

	As at 30.09.2012 RM '000	As at 31.12.2011 RM '000
Total retained profits of the group		
- Realised profits	52,005	52,720
- Unrealised profits	3,390	3,800
	<u>55,395</u>	<u>56,520</u>
Less: Consolidation adjustments	(23,087)	(22,742)
Total retained profits as per statement of financial position	<u>32,308</u>	<u>33,778</u>

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Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2012

B6. Income Tax Expenses

The breakdown of tax charge 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	(503)	(843)

B7. Corporate Proposals

There were no corporate proposals announced but not completed as at 23 November 2012 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report):-

B8. Group Borrowings and Debt Securities

The details of the Group borrowings (denominated in Ringgit Malaysia) as at the end of the financial period were as follow:

	As at 30.09.2012 RM '000
<u>Secured</u>	
Short term borrowings	11
Long term borrowings	70
	<hr/> 81 <hr/>

B9. Material Litigation

There was no material litigation against the Group as at up to latest predictable date.

B10. Proposed Dividend

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

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

Unaudited Financial Results of the Group for the Third Quarter Ended 30 September 2012

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:

	Current quarter 30.09.2012	Year to Date 30.09.2012
Profit attributable to the equity holders of the parent (RM'000)	368	678
Weighted average number of ordinary share ('000)	714,039	715,194
Basic earnings per ordinary share (sen)	<u>0.05</u>	<u>0.09</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 2011 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 29 November 2012.