

CNI HOLDINGS BERHAD
(Company No : 181758-A)

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

	Note	Individual Period		Cumulative Period	
		30.09.2016	30.09.2015	30.09.2016	30.09.2015
		Unaudited RM '000	Unaudited RM '000	Unaudited RM '000	Unaudited RM '000
Operating revenue		18,292	22,284	67,134	68,268
Direct operating costs		(8,757)	(10,261)	(28,982)	(29,651)
Gross profit		9,535	12,023	38,152	38,617
Other operating revenue	B4	1,234	1,004	1,717	2,217
Other operating costs		(12,127)	(13,925)	(42,288)	(41,211)
Finance costs		1	-	(4)	(3)
Depreciation & amortisation		(526)	(576)	(1,581)	(1,686)
		(1,883)	(1,474)	(4,004)	(2,066)
Share of results of associates		(8)	274	(427)	(513)
Loss before taxation		(1,891)	(1,200)	(4,431)	(2,579)
Taxation		23	(21)	763	80
Loss net of taxation		(1,868)	(1,221)	(3,668)	(2,499)
Other comprehensive (loss)/income					
Foreign currency translation		(265)	(30)	79	297
Total comprehensive (loss)/income for the period		(2,133)	(1,251)	(3,589)	(2,202)
Loss attributable to :					
Equity holders of the Company		(1,734)	(920)	(3,538)	(1,938)
Non-controlling interests		(134)	(301)	(130)	(561)
		(1,868)	(1,221)	(3,668)	(2,499)

CNI HOLDINGS BERHAD
(Company No : 181758-A)

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

	Individual Period		Cumulative Period	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	Unaudited	Unaudited	Unaudited	Unaudited
	RM '000	RM '000	RM '000	RM '000
Total comprehensive (loss)/profit attributable to :				
Equity holders of the Company	(1,999)	(950)	(3,459)	(1,641)
Non-controlling interests	(134)	(301)	(130)	(561)
	(2,133)	(1,251)	(3,589)	(2,202)
Earnings per share (sen)				
Basic	(0.24)	(0.13)	(0.50)	(0.27)
Diluted	NA	NA	NA	NA

Notes :-

- 1) NA denotes "Not Applicable"
- 2) Finance cost is positive in the current quarter due to an accounting adjustment.

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 SEPTEMBER 2016

	Unaudited	Audited
	As at	As at
	30.09.2016	31.12.2015
	RM '000	RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	35,006	35,891
Investment properties	1,400	1,400
Investment in associate company	2,448	2,911
Investment in unquoted shares	1,254	1,254
Investment in preference share	3,500	3,500
Other intangible assets	1,836	1,990
Goodwill	200	200
Deferred tax assets	2,194	1,595
	47,838	48,741
Current assets		
Inventories	15,103	14,357
Trade receivables	13,733	13,091
Other receivables, deposits and prepayments	303	5,415
Investments	13,060	13,167
Tax assets	523	629
Cash and bank balances	6,040	12,838
	48,762	59,497
TOTAL ASSETS	96,600	108,238
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	72,000	72,000
Treasury shares	(1,683)	(1,674)
Retained earnings	8,117	13,795
Other reserves	(1,249)	(1,328)
	77,185	82,793
Non-controlling interests	857	986
Total Equity	78,042	83,779

CNI HOLDINGS BERHAD
(Company No : 181758-A)

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

	Unaudited	Audited
	As at	As at
	30.09.2016	31.12.2015
	RM '000	RM '000
	_____	_____
Non-current liabilities		
Borrowings	140	44
Retirement benefits	7,178	6,823
Deferred tax liabilities	1,434	1,764
	_____	_____
	8,752	8,631
	_____	_____
Current liabilities		
Trade payables	1,731	3,392
Other payables, deposits and accruals	7,976	12,367
Provision and contingent liabilities	18	41
Borrowings	81	28
	_____	_____
	9,806	15,828
	_____	_____
Total liabilities	18,558	24,459
	_____	_____
TOTAL EQUITY AND LIABILITES	96,600	108,238
	_____	_____
Net Assets	78,042	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 THIRD QUARTER ENDED 30 SEPTEMBER 2016

	← Non Distributable		Currency Translation Reserve	→ Distributable		Total Equity
	Share Capital	Treasury Shares		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 income/(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 THIRD QUARTER ENDED 30 SEPTEMBER 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						
Loss for the period	-	-	-	(3,538)	(129)	(3,667)
Other comprehensive loss						
Defined benefit plan actuarial gain	-	-	-	-	-	-
Foreign currency translation	-	-	79	(2,140)	-	(2,061)
Total comprehensive income/(loss) for the period	-	-	79	(5,678)	(129)	(5,728)
Transactions with owners						
Purchase of treasury shares	-	(9)	-	-	-	(9)
Interim dividends	-	-	-	-	-	-
Total transactions with owners	-	(9)	-	-	-	(9)
As at 30 September 2016	72,000	(1,683)	(1,249)	8,117	857	78,042

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 THIRD QUARTER ENDED 30 SEPTEMBER 2016

	30.09.2016	30.09.2015
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows from Operating Activities		
Loss before taxation	(4,431)	(2,579)
Adjustments for:-		
Amortisation of intangible assets	393	486
Depreciation of property, plant and equipment	1,693	1,922
Interest expenses	4	3
Interest revenue	(129)	(143)
Inventories written off	170	149
Investment income	(1,148)	(257)
Loss on disposal of property, plant and equipment	6	1
Property, plant and equipment written off	65	124
Provision/(Reversal) for employee benefits expenses	(51)	553
Retirement benefits expense	233	237
Share of loss of associated companies	427	513
Unrealised loss/(gain) on foreign exchange	350	(1,046)
Operating loss before working capital changes	<u>(2,418)</u>	<u>(37)</u>
Increase in inventories	(938)	(1,919)
Decrease in receivables	1,795	942
(Decrease)/Increase in payables	(3,778)	840
Cash (used in)/generated from operations	<u>(5,339)</u>	<u>(174)</u>
Interest paid	(4)	(3)
Interest received	129	143
Tax paid	(286)	(375)
Tax refund	388	459
Net cash (used in)/ from operating activities	<u>(5,112)</u>	<u>50</u>

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016 (Continued)

	30.09.2016	30.09.2015
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows from Investing Activities		
Net cash outflow on acquisition of subsidiary company	-	(1)
Investment income	1,148	257
Purchase of property, plant and equipment	(1,020)	(604)
Purchase of intangible assets	(61)	(526)
Proceeds from disposal of property, plant and equipment	57	66
Proceeds from disposal of other intangible asset	1	278
Investment in associate companies	-	(548)
Net cash from/(used in) investing activities	<u>125</u>	<u>(1,078)</u>
Cash Flows from Financing Activities		
Repayment of term loans	-	(4)
Purchase of treasury shares	(9)	(11)
Repayment of hire purchase liabilities	148	(18)
Dividend paid	(2,140)	(2,200)
Net cash used in financing activities	<u>(2,001)</u>	<u>(2,233)</u>
Effect of exchange rate changes	83	(75)
Net decrease in cash and cash equivalent	(6,905)	(3,336)
Cash and cash equivalent at beginning of the financial year	26,005	29,670
Cash and cash equivalent at end of the financial year	<u>19,100</u>	<u>26,334</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

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 2	Share-Based Payment	1 January 2018
MFRS 10	Consolidated Financial Statements	Deferred/ 1 January 2016

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 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 107	Statement of Cash Flows	1 January 2017
MFRS 112	Income Taxes	1 January 2017
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 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 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 September 2016.

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 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 September 2016.

The Company bought back from the open market, 50,000 ordinary shares of RM0.10 each of the Company (“CNI Shares”) at an average buy-back price of RM 0.08 per share. The total consideration paid, including transaction costs, was RM4,047.67 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 2016, the number of treasury shares held was 6,837,100 CNI Shares.

A7. Fair Value Changes of Financial Liabilities

As at 30 September 2016, 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 share in respect of the financial year ended 31 December 2015, amounted to RM2,139,639 was paid on 13 April 2016.

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 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 30.09.2016	Result 30.09.2016	Revenue 30.09.2016	Result 30.09.2016
	RM'000	RM'000	RM'000	RM'000
Marketing and trading	16,590	(429)	58,858	(3,342)
Manufacturing	6,402	(880)	25,893	369
Others	737	(531)	3,859	1,310
Inter-segment elimination	(5,437)	(43)	(21,476)	(2,341)
	<u>18,292</u>	<u>(1,883)</u>	<u>67,134</u>	<u>(4,004)</u>
Share of results of associates		(8)		(427)
Income tax expense		23		763
Non-controlling interests		134		130
Loss for the period		<u>(1,734)</u>		<u>(3,538)</u>

Business Segment	Previous Year Corresponding Quarter		Previous Year to-date	
	Revenue 30.09.2015	Result 30.09.2015	Revenue 30.09.2015	Result 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)
	<u>22,284</u>	<u>(1,474)</u>	<u>68,268</u>	<u>(2,066)</u>
Share of results of associates		274		(513)
Income tax expense		(21)		80
Non-controlling interests		301		561
Loss for the period		<u>(920)</u>		<u>(1,938)</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

There were no material events subsequent to the reporting period up to 17 November 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.

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 30.09.2016 RM '000
Capital expenditure approved and contracted for:	
Purchase of property, plant and equipment	243
Acquisition of computer software	23
	<hr/>
	266
	<hr/>

CNI Holdings Berhad (Company No.: 181758-A)Unaudited Financial Results of the Group for Third Quarter Ended 30 September 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	88	309
IT and eCommerce related service	53	158
<u>CNI Venture Sdn Bhd</u>		
Research and development expenditure paid and payable	46	177
<u>Fortune Venture Inc</u>		
Sales received and receivable	717	3,339
<u>Qingdao Mark Foods Co., Ltd</u>		
Sales received and receivable	177	536
<u>CNI IPHC</u>		
Trademark fee paid and payable	61	219
<u>Sepang Goldcoast Sdn Bhd</u>		
Rental received and receivable	76	228
<u>CIS Solutions Sdn Bhd</u>		
Royalty fee received and receivable	29	278
<u>Law Yang Keat</u>		
Sales development and marketing advisory paid and payable	21	75
<u>Koh Teng Kiat</u>		
Corporate finance and treasury services paid and payable	48	142

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

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

The Group recorded revenue of RM18.3 million for the current quarter ended 30 September 2016 as compared to RM22.3 million in the previous year corresponding quarter, decreased by 18%.

Business Segment	Quarter Ended				Increase/ (Decrease)			
	Revenue		Result		Revenue		Result	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015				
	RM'000	RM'000	RM'000	RM'000	RM'000	%	RM'000	%
Marketing and trading	16,590	20,039	(429)	(210)	(3,449)	-17%	(219)	-104%
Manufacturing	6,402	6,714	(880)	(269)	(312)	-5%	(611)	-227%
Others	737	2,160	(531)	991	(1,423)	-66%	(1,522)	-154%

The revenue of the marketing and trading segment decreased from RM20.0 million to RM16.6 million, a decrease of 17% as compared to the previous corresponding quarter. This was mainly attributable to lower revenue from local direct selling business. The result of marketing and trading segment was decreased accordingly.

The revenue of the manufacturing segment decreased from RM6.7 million to RM6.4 million, a decrease of 5% as compared to the previous corresponding quarter due to lower sales order were received from overseas market. The result of manufacturing segment had reduced mainly due to lower revenue generated.

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. This has contributed to lower result in the current quarter as compared to the previous corresponding quarter.

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 2016

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

The Group recorded revenue of RM67.1 million for the financial period ended 30 September 2016 as compared to RM68.3 million in the previous financial period, representing a decrease of 2%. The Group Loss Before Tax (“LBT”) for the financial period ended 30 September 2016 was RM4.4 million, as compared to LBT of RM2.6 million in the previous period ended 30 September 2015.

The decrease in revenue and losses for the period ended 30 September 2016 was mainly attributable to the lower of revenue from local direct selling and manufacturing segment.

Business Segment	Year-to-date ended				Increase/(Decrease)			
	Revenue		Result		Revenue		Result	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015				
	RM'000	RM'000	RM'000	RM'000	RM'000	%	RM'000	%
Marketing and trading	58,858	60,440	(3,342)	325	(1,582)	-3%	(3,667)	-1128%
Manufacturing	25,893	27,495	369	1,969	(1,602)	-6%	(1,600)	-81%
Others	3,859	3,684	1,310	114	175	5%	1,196	1049%

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

The Group’s LBT for the current quarter was RM1.9 million, an increase of RM1.8 million from the LBT of RM0.08 million compared with preceding quarter. The loss has increased mainly due to lower revenue achieved from local sales in this quarter.

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 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 is confident of its research and development capabilities to continuously enhance enzyme powder and Nufit enzyme formula 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 30.09.2016 RM '000	Previous Year Corresponding Quarter 30.09.2015 RM '000
Interest income	23	45
Gain on foreign exchange	842	877
Other income	369	82
	<u>1,234</u>	<u>1,004</u>

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

B5. Realised and Unrealised Profits

	As at 30.09.2016 RM '000	As at 31.12.2015 RM '000
Total retained profits of the group		
- Realised profits	38,516	50,507
- Unrealised profits	2,510	2,792
	<hr/> 41,026	<hr/> 53,299
Total share of retained earnings from associate company		
- Realised	(3,050)	(2,623)
Less: Consolidation adjustments	(29,859)	(36,881)
	<hr/>	<hr/>
Total retained profits as per statement of financial position	<hr/> 8,117	<hr/> 13,795

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	<hr/> (23)	<hr/> (763)

B7. Corporate Proposals

There were no corporate proposals announced but not completed as at 17 November 2016 (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 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 30.09.2016 RM '000
<u>Secured</u>	
Short term borrowings	81
Long term borrowings	140
	<hr/>
	221
	<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.

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 2016

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 30.09.2016	Year to Date 30.09.2016
Loss attributable to the equity holders of the parent (RM'000)	(1,734)	(3,538)
Weighted average number of ordinary share ('000)	713,195	713,217
Basic earnings per ordinary share (sen)	(0.24)	(0.50)

(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 23 November 2016.