

CNI HOLDINGS BERHAD
(Company No : 181758-A)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR FOURTH QUARTER ENDED 31 DECEMBER 2017**

	Individual Period			Cumulative Period		
	31.12.2017	31.12.2016	%	31.12.2017	31.12.2016	%
	Unaudited RM '000	Audited RM '000		Unaudited RM '000	Audited RM '000	
Operating revenue	21,740	20,987	4%	85,124	88,121	-3%
Direct operating costs	(9,005)	(5,463)		(34,786)	(34,445)	
Gross profit	12,735	15,524	-18%	50,338	53,676	-6%
Other operating revenue	556	2,984	-81%	931	4,701	-80%
Other operating costs	(11,924)	(18,374)		(47,777)	(60,662)	
Finance costs	(3)	(5)		(12)	(9)	
Depreciation & amortisation	(1,236)	(1,212)		(2,781)	(2,793)	
	128	(1,083)		699	(5,087)	
Share of results of associates	(101)	128		(663)	(299)	
Profit/(Loss) before taxation	27	(955)	103%	36	(5,386)	101%
Taxation	(1,178)	86		(1,383)	849	
Profit/(Loss) net of taxation	(1,151)	(869)	-32%	(1,347)	(4,537)	70%
Other comprehensive (loss)/income						
Defined benefit plan actuarial gain	88	473		88	473	
Foreign currency translation	395	(406)		194	(327)	
Total comprehensive (loss)/income for the period	(668)	(802)		(1,065)	(4,391)	
Profit/(Loss) attributable to :						
Equity holders of the Company	(1,144)	(981)	-17%	(2,061)	(4,519)	54%
Non-controlling interests	(7)	112		714	(18)	
	(1,151)	(869)		(1,347)	(4,537)	

CNI HOLDINGS BERHAD

(Company No : 181758-A)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR FOURTH QUARTER ENDED 31 DECEMBER 2017 (Continued)

	Individual Period		Cumulative Period	
	31.12.2017 Unaudited RM '000	31.12.2016 Audited RM '000	31.12.2017 Unaudited RM '000	31.12.2016 Audited RM '000
Total comprehensive (loss)/profit attributable to :				
Equity holders of the Company	(661)	(914)	(1,779)	(4,373)
Non-controlling interests	(7)	112	714	(18)
	<u>(668)</u>	<u>(802)</u>	<u>(1,065)</u>	<u>(4,391)</u>
Earnings per share (sen)				
Basic	(0.16)	(0.11)	(0.29)	(0.63)
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 2016 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 31 DECEMBER 2017

	Unaudited	Audited
	As at	As at
	31.12.2017	31.12.2016
	RM '000	RM '000
	_____	_____
ASSETS		
Non-current assets		
Property, plant and equipment	34,760	34,978
Investment properties	1,970	1,400
Investment in associate company	2,099	2,611
Investment in preference share	3,500	3,500
Other intangible assets	1,292	1,617
Deferred tax assets	1,249	2,168
	_____	_____
	44,870	46,274
Current assets		
Inventories	14,306	13,443
Trade receivables	13,496	11,036
Other receivables, deposits and prepayments	3,816	6,245
Investments	13,531	15,692
Tax assets	99	895
Cash and cash equivalents	8,465	7,706
	_____	_____
	53,713	55,017
	_____	_____
TOTAL ASSETS	98,583	101,291
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	72,000	72,000
Treasury shares	(1,699)	(1,683)
Retained earnings	4,908	7,609
Foreign exchange reserve	(717)	(1,655)
	_____	_____
	74,492	76,271
Non-controlling interests	1,482	968
	_____	_____
Total Equity	75,974	77,239
	_____	_____

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017 (Continued)

	Unaudited	Audited
	As at	As at
	31.12.2017	31.12.2016
	RM '000	RM '000
	_____	_____
Non-current liabilities		
Finance lease liabilities	913	117
Retirement benefits	4,111	7,011
Deferred tax liabilities	805	1,355
	_____	_____
	5,829	8,483
	_____	_____
Current liabilities		
Trade payables	4,488	4,362
Other payables, deposits and accruals	11,939	10,681
Provision and contingent liabilities	16	44
Finance lease liabilities	184	85
Tax payables	153	397
	_____	_____
	16,780	15,569
	_____	_____
Total liabilities	22,609	24,052
	_____	_____
TOTAL EQUITY AND LIABILITES	98,583	101,291
	_____	_____
	-	-
Net Assets	75,974	77,239
Net assets per share (RM)	0.11	0.11

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 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 FOURTH QUARTER ENDED 31 DECEMBER 2016

	← Non Distributable			→ Distributable			
	Share Capital	Treasury Shares	Currency Translation Reserve	Fair Value Adjustment Reserve	Retained Earnings	Non-controlling Interests	Total Equity
	RM '000	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 loss							
Profit/(Loss) for the year	-	-	-	-	(4,519)	(18)	(4,537)
Other comprehensive income/(loss)							
Foreign currency translation	-	-	(327)	-	473	-	146
Total comprehensive income/(loss) for the year	-	-	(327)	-	(4,046)	(18)	(4,391)
Transactions with owners							
Share repurchased	-	(9)	-	-	-	-	(9)
Dividends paid on shares	-	-	-	-	(2,140)	-	(2,140)
Total transactions with owners	-	(9)	-	-	(2,140)	-	(2,149)
As at 31 December 2016	72,000	(1,683)	(1,655)	-	7,609	968	77,239

CNI HOLDINGS BERHAD

(Company No : 181758-A)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

	← Non Distributable →			Distributable			Total Equity
	Share Capital	Treasury Shares	Currency Translation Reserve	Fair Value Adjustment Reserve	Retained Earnings	Non-controlling Interests	
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
As at 1 January 2017	72,000	(1,683)	(1,655)	-	7,609	968	77,239
Comprehensive income							
Loss for the period	-	-	-	-	(2,061)	714	(1,347)
Other comprehensive loss							
Defined benefit plan actuarial gain	-	-	-	-	88	-	88
Foreign currency translation	-	-	194	-	-	-	194
Total comprehensive income/(loss) for the period	-	-	194	-	(1,973)	714	(1,065)
Transactions with owners							
Purchase of treasury shares	-	(16)	-	-	-	-	(16)
Realization of reserves on disposal of subsidiary	-	-	-	-	-	(200)	(200)
Total transactions with owners	-	(16)	-	-	-	(200)	(216)
Share of Other Comprehensive Income Reserve	-	-	744	-	(728)	-	16
As at 31 December 2017	72,000	(1,699)	(717)	-	4,908	1,482	75,974

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 2016 and the explanatory notes attached to the interim financial statements

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

	31.12.2017	31.12.2016
	RM'000	RM'000
	(Unaudited)	(Audited)
Cash Flows from Operating Activities		
Profit/(Loss) before taxation	36	(5,386)
Adjustments for:-		
Amortisation of intangible assets	398	525
Bad debts written off	-	243
Depreciation of property, plant and equipment	2,383	2,268
Dividend income	-	(840)
Interest expenses	12	9
Interest revenue	(122)	(198)
Inventories written off	469	572
Inventories written down	-	263
Income distribution from short term investment	(334)	(474)
(Gain)/Loss on disposal of property, plant and equipment	(89)	24
Property, plant and equipment written off	210	481
Provision/(Reversal) for employee benefits expenses	(28)	3
Impairment loss on trade and other receivable	483	332
Impairment loss on goodwill	-	200
Impairment loss on other investment	-	1,254
Impairment loss on property, plant and equipment	-	77
Reversal of impairment loss on trade and other receivable	-	(302)
Reversal of impairment loss on property, plant and equipment	-	(408)
Retirement benefits expense	189	661
Share of loss of associated companies	663	299
Unrealised loss/(gain) on foreign exchange	1,603	(895)
Operating profit/(loss) before working capital changes	5,872	(1,292)
Decrease/(Increase) in inventories	(1,332)	79
Decrease/(Increase) in receivables	(2,119)	2,036
(Decrease)/Increase in payables	1,384	(1,084)
Cash generated/(used in) from operations	3,805	(261)

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017 (Continued)

Interest paid	(9)	(9)
Interest received	122	198
Dividend received	-	840
Tax paid	(675)	(330)
Tax refund	213	340
Net cash from operating activities	<u>3,457</u>	<u>778</u>
	31.12.2017	31.12.2016
	RM'000	RM'000
	(Unaudited)	(Audited)
Cash Flows from Investing Activities		
Income distribution from short term funds	334	474
Placement of time deposits	-	(23)
Purchase of property, plant and equipment	(2,405)	(1,343)
Purchase of intangible assets	(277)	(154)
Purchase of investment property	(570)	-
Proceeds from disposal of property, plant and equipment	124	98
Proceeds from disposal of other intangible asset	2	1
Withdrawal of short-term investments	2,161	12
Net cash used in investing activities	<u>(631)</u>	<u>(935)</u>
Cash Flows from Financing Activities		
Purchase of treasury shares	(16)	(8)
Increase /(Payment) of finance lease liabilities	895	(61)
Retirement benefit paid	(3,000)	-
Dividend paid	-	(2,140)
Net cash used in financing activities	<u>(2,121)</u>	<u>(2,209)</u>
Effect of exchange rate changes	53	(252)
Net increase/(decrease) in cash and cash equivalent	<u>759</u>	<u>(2,618)</u>
Cash and cash equivalent at beginning of the financial year	<u>7,706</u>	<u>10,324</u>
Cash and cash equivalent at end of the financial year	<u>8,465</u>	<u>7,706</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 2016 and the explanatory notes attached to the interim financial statement

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

Unaudited Financial Results of the Group for Fourth Quarter Ended
31 December 2017

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 2016. 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 2016.

A2. Significant Accounting Policies

New MFRSs, amendments/improvements to MFRSs and new IC Interpretation (“IC Int”) that have been issued, but yet to be effective

At the date of authorisation of these interim financial statements, the following new MFRSs, amendments/improvements to MFRSs and new IC Interpretation that have been 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 1	First-time adoption of MFRS	1 January 2018
MFRS 2	Share-based Payment	1 January 2018
MFRS 4	Insurance Contracts	1 January 2018

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

Unaudited Financial Results of the Group for Fourth Quarter Ended
31 December 2017

A2. Significant Accounting Policies (Continued)

New MFRSs, amendments/improvements to MFRSs and new IC Interpretation (“IC Int”) that have been issued, but yet to be effective (Continued)

At the date of authorisation of these interim financial statements, the following new MFRSs, amendments/improvements to MFRSs and new IC Interpretation that have been 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 10	Consolidated Financial Statement	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 128	Investments in Associates and Joint Ventures	1 January 2018
MFRS 140	Investment Property	1 January 2018
MFRS 3	Business Combinations	1 January 2019
MFRS 9	Financial Instruments	1 January 2019
MFRS 11	Joint Arrangements	1 January 2019
MFRS 112	Income Taxes	1 January 2019
MFRS 123	Borrowing Costs	1 January 2019
MFRS 128	Investments in Associates and Joint Ventures	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
<u>New IC Int</u>		
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Int 23	First-time adoption of MFRS	1 January 2019

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 Fourth Quarter Ended
31 December 2017

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 31 December 2017.

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 31 December 2017.

A6. Debts and Equity Securities

There were no issuances, repurchases and repayments of debt and equity securities during the quarter ended 31 December 2017.

As at 31 December 2017, the number of treasury shares held was 7,057,100 CNI Shares.

A7. Fair Value Changes of Financial Liabilities

As at 31 December 2017, the Group does not have any financial liabilities measured at fair value through profit or loss.

A8. Dividends Paid

There was no payment of dividend during the current financial quarter and period-to-date ended 31 December 2017.

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

Unaudited Financial Results of the Group for Fourth Quarter Ended
31 December 2017

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
	31.12.17	31.12.17	31.12.17	31.12.17
	RM'000	RM'000	RM'000	RM'000
Marketing and trading	16,114	530	64,917	143
Manufacturing	10,348	(162)	44,437	3,780
Others	766	4,662	3,947	4,667
Inter-segment elimination	(5,488)	(4,902)	(28,177)	(7,891)
	<u>21,740</u>	<u>128</u>	<u>85,124</u>	<u>699</u>
Share of profit of associates		(101)		(663)
Income tax credit		(1,178)		(1,383)
Non-controlling interests		<u>7</u>		<u>(714)</u>
Loss for the period		<u>(1,144)</u>		<u>(2,061)</u>

Business Segment	Previous Year Corresponding Quarter		Previous Year to-date	
	Revenue	Result	Revenue	Result
	31.12.16	31.12.16	31.12.16	31.12.16
	RM'000	RM'000	RM'000	RM'000
Marketing and trading	16,730	(1,862)	75,589	(5,204)
Manufacturing	8,813	1,118	34,706	1,487
Others	717	(1,966)	4,575	(656)
Inter-segment elimination	(5,273)	1,627	(26,748)	(714)
	<u>20,987</u>	<u>(1,083)</u>	<u>88,121</u>	<u>(5,087)</u>
Share of loss of associates		128		(299)
Income tax credit		86		849
Non-controlling interests		<u>(112)</u>		<u>18</u>
Loss for the period		<u>(981)</u>		<u>(4,519)</u>

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

Unaudited Financial Results of the Group for Fourth Quarter Ended
31 December 2017

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 2016.

Investment properties are stated at fair value as at 31 December 2016. 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 22 February 2018 (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

Symplesoft Sdn Bhd (“SSB”), a wholly owned subsidiary of the Company had on 15th December 2017 completed disposal of its entire 60% equity interest in Sierra Edge Sdn Bhd (“SESB”) comprising of 300,000 shares in SESB to CIS for a total consideration of Ringgit Malaysia Three Hundred Thousand (RM300,000.00) Only.

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 2016.

CNI Holdings Berhad (Company No.: 181758-A)Unaudited Financial Results of the Group for Fourth Quarter Ended
31 December 2017

A14. Capital Commitments

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

	As at 31.12.17 RM '000
Capital expenditure approved and contracted for	554
Capital expenditure approved and not contracted for	709
	<hr/> <u>1,263</u> <hr/>

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	86	338
IT and eCommerce related service	53	210
Sales received and receivable	29	726
Commission receivable	139	617
<u>CNI Venture Sdn Bhd</u>		
Research and development expenditure paid and payable	71	292
<u>CNI China Co. Ltd.</u>		
Sales received and receivable	1,057	9,639
<u>CNI IPHC</u>		
Trademark fee paid and payable	63	259
<u>Law Yang Keat</u>		
Sales development and marketing advisory paid and payable	18	72

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

Unaudited Financial Results of the Group for Fourth Quarter Ended
31 December 2017

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 Fourth Quarter**

The Group recorded revenue of RM21.7 million for the current quarter ended 31 December 2017 almost same as previous year corresponding quarter.

Business Segment	Quarter Ended				Increase/ (Decrease)			
	Revenue		Result		Revenue		Result	
	31.12.17	31.12.16	31.12.17	31.12.16	Revenue	%	Result	%
	RM'000	RM'000	RM'000	RM'000	RM'000	%	RM'000	%
Marketing and trading	16,114	16,730	530	(1,862)	(616)	-4%	2,392	128%
Manufacturing	10,348	8,813	(162)	1,118	1,535	17%	(1,280)	114%
Others	766	717	4,662	(1,966)	49	7%	6,628	337%
Inter-segment elimination	(5,488)	(5,273)	(4,902)	1,627				
	21,740	20,987	128	(1,083)	753	4%	1,211	112%
Share of associate result			(101)	128				
Profit/(Loss) before tax			27	(955)				

The revenue from the marketing and trading segment decreased from RM16.7 million to RM16.1 million, a decrease of 4% as compared to the previous corresponding quarter. This was mainly attributable to slightly lower revenue generated by the multi-level marketing. However, the results had improved due to lower operating expenses.

Revenue contribution from the manufacturing segment increased from RM8.8 million to RM10.3 million, an increase of 17% as compared to the previous corresponding quarter. The decrease in results was mainly contributed by forex exchange gain in previous corresponding quarter.

The others segment representing investment holding, retail of food and beverage businesses. The revenue remains at RM0.7 million. Results for the current quarter improved compared to the corresponding quarter mainly due to waiver of debt from CNI Holdings to Infuso.

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

Unaudited Financial Results of the Group for Fourth Quarter Ended
31 December 2017

B1. Operating Segment Review (Continued)

(b) Results for Financial Year-to-date

The Group's revenue for the financial period ended 31 December 2017 was RM85.1 million, 3% lower than previous financial corresponding period, mainly due to lower contribution from the multi-level marketing.

The Group's profit before tax for the financial period ended 31 December 2017 was RM0.3 million.

Business Segment	Year-to-date ended				Increase/ (Decrease)			
	Revenue		Result		Revenue		Result	
	31.12.17	31.12.16	31.12.17	31.12.16				
	RM'000	RM'000	RM'000	RM'000	RM'000	%	RM'000	%
Marketing and trading	64,917	75,589	143	(5,204)	(10,672)	-14%	5,347	103%
Manufacturing	44,437	34,706	3,780	1,487	9,732	28%	2,293	154%
Others	3,947	4,575	4,667	(656)	(628)	-14%	5,323	811%
Inter-segment elimination	(28,177)	(26,748)	(7,891)	(714)				
	85,124	88,121	699	(5,087)	(2,997)	-3%	5,786	114%
Share of associate result			(663)	(299)				
Profit/(Loss) before tax			36	(5,386)				

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

The Group's PBT for the current quarter was RM0.027 million, compared to PBT of RM2.5 million in the immediate preceding quarter, mainly driven by lower direct operating cost in preceding quarter.

	Current Quarter	Preceding Quarter	Changes
	31.12.2017	30.09.2017	
	RM '000	RM '000	%
Revenue	21,740	24,854	-13%
Profit/(Loss) before tax	27	2,519	-99%
Profit/(Loss) after tax	(1,151)	2,044	-156%
Profit/(Loss) attributable to ordinary equity holders of the parent	(1,144)	1,475	-178%

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

Unaudited Financial Results of the Group for Fourth Quarter Ended
31 December 2017

B3 Commentary on Prospects and Targets

The Group's growth strategies are launching of sales opportunities for products in both local and new markets and shall leverage mobile internet marketing for brand awareness and in reaching out to a wider consumer market.

International market is expected to observe a higher percentage of growth in contributing to the overall performance of the Group, with the upbeat potential of Myanmar and China markets as reflected in their solid GDP growth in recent years.

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
	31.12.17	31.12.16
	RM '000	RM '000
Interest income	33	69
Gain/(Loss) on foreign exchange	(754)	1,328
Other income	1,277	1,587
	<u>556</u>	<u>2,984</u>

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

Unaudited Financial Results of the Group for Fourth Quarter Ended
31 December 2017

B5. Income Tax Expense/ (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
Income Tax Expense/ (Credit)	1,178	1,383

B6. Corporate Proposals

There were no corporate proposals announced but not completed as at 22 February 2018 (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 Fourth Quarter Ended
31 December 2017

B7. Group Borrowings and Debt Securities

The details of the Group borrowings (denominated in Ringgit Malaysia and foreign currency) as at the reporting date were as follow:

As at 31.12.2017

Secured	Foreign Denomination		RM Denomination	Total
	THB '000*	RM '000	RM '000	RM '000
Short term borrowings				
Hire Purchase	153	19	165	184
Long term borrowings				
Hire Purchase	-	-	913	913
	153	19	1,078	1,097

*Exchange rate for THB 100 : 12.4156

As at 31.12.2016

Secured	Foreign Denomination		RM Denomination	Total
	THB '000*	RM '000	RM '000	RM '000
Short term borrowings				
Hire Purchase	215	27	58	85
Long term borrowings				
Hire Purchase	150	19	98	117
	364	46	156	202

*Exchange rate for THB 100 : 12.5237

B8. 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.

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

Unaudited Financial Results of the Group for Fourth Quarter Ended
31 December 2017

B9. Proposed Dividend

There was no dividend proposed in the current quarter.

B10. 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 31.12.17	Year to Date 31.12.17
Profit/(Loss) attributable to the equity holders of the parent (RM'000)	(1,144)	(2,061)
Weighted average number of ordinary share ('000)	712,943	712,981
Basic earnings per ordinary share (sen)	(0.16)	(0.29)

(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.

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

Unaudited Financial Results of the Group for Fourth Quarter Ended
31 December 2017

B11. Notes to the Condensed Consolidated Income Statement

Profit/(Loss) before tax is arrived at after charging/ (crediting) the following items:

	Fourth Quarter			
	Individual		Cumulative	
	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>31.12.2017</u>	<u>31.12.2016</u>
	RM '000	RM '000	RM '000	RM '000
Amortisation of intangible assets	14	132	398	525
Depreciation of property, plant and equipment	1,221	575	2,383	2,268
Interest expenses	3	5	12	9
Interest revenue	(33)	(69)	(122)	(198)
Inventories written off	328	402	469	572
Income distribution from short term investment	(86)	674	(334)	(474)
(Gain)/Loss on disposal of property, plant and equipment	(54)	18	(89)	24
Property, plant and equipment written off	200	416	210	481
Provision/(Reversal) for employee benefits expenses	187	54	(28)	3
Retirement benefits expense	58	428	189	661
Share of loss of associated companies	101	(128)	663	299
Unrealised loss/(gain) on foreign exchange	575	(1,245)	1,603	(895)

B12. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2016 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 28 February 2018.