

CNI HOLDINGS BERHAD
(Company No : 181758-A)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR FIRST QUARTER ENDED 31 MARCH 2018**

	Individual Period			Cumulative Period		
	31.03.2018 Unaudited RM '000	31.03.2017 Unaudited RM '000	% change	31.03.2018 Unaudited RM '000	31.03.2017 Unaudited RM '000	% change
Operating revenue	18,285	18,793	-3%	18,285	18,793	-3%
Direct operating costs	(7,278)	(8,396)		(7,278)	(8,396)	
Gross profit	11,008	10,397	6%	11,008	10,397	6%
Other operating revenue	(18)	435	-104%	(18)	435	-104%
Other operating costs	(10,302)	(11,789)		(10,302)	(11,789)	
Finance costs	(21)	(3)		(21)	(3)	
Depreciation & amortisation	(629)	(506)		(629)	(506)	
	38	(1,466)		38	(1,466)	
Share of results of associates	36	165		36	165	
Profit/(Loss) before taxation	74	(1,301)	106%	74	(1,301)	106%
Taxation	(69)	117		(69)	117	
Profit/(Loss) net of taxation	5	(1,184)	100%	5	(1,184)	100%
Other comprehensive (loss)/income						
Defined benefit plan actuarial gain	-	-		-	-	
Foreign currency translation	23	(281)		23	(281)	
Total comprehensive (loss)/income for the period	28	(1,465)		28	(1,465)	
Profit/(Loss) attributable to :						
Equity holders of the Company	(12)	(959)	99%	(12)	(959)	99%
Non-controlling interests	17	(225)		17	(225)	
	5	(1,184)		5	(1,184)	

CNI HOLDINGS BERHAD
(Company No : 181758-A)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR FIRST QUARTER ENDED 31 MARCH 2018 (Continued)**

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	<u>31.03.2018</u>	<u>31.03.2017</u>	<u>31.03.2018</u>	<u>31.03.2017</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
Total comprehensive (loss)/profit attributable to :				
Equity holders of the Company	11	(1,240)	11	(1,240)
Non-controlling interests	17	(225)	17	(225)
	<u>28</u>	<u>(1,465)</u>	<u>28</u>	<u>(1,465)</u>
Earnings per share (sen)				
Basic	(0.00)	(0.13)	(0.00)	(0.13)
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 2017 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 MARCH 2018

	Unaudited	Audited
	As at	As at
	31.03.2018	31.12.2017
	RM '000	RM '000
	<u> </u>	<u> </u>
ASSETS		
Non-current assets		
Property, plant and equipment	34,062	34,577
Investment properties	2,370	2,370
Investment in associate company	2,122	2,085
Investment in preference share	3,500	3,500
Other intangible assets	1,223	1,292
Deferred tax assets	1,215	1,249
	<u>44,492</u>	<u>45,073</u>
Current assets		
Inventories	15,335	14,143
Trade receivables	12,972	13,503
Other receivables, deposits and prepayments	1,554	5,229
Investments	14,000	13,436
Tax assets	466	563
Cash and cash equivalents	5,645	8,561
	<u>49,972</u>	<u>55,435</u>
TOTAL ASSETS	<u>94,464</u>	<u>100,508</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	72,000	72,000
Treasury shares	(1,710)	(1,699)
Retained earnings	4,859	4,871
Foreign exchange reserve	(649)	(672)
	<u>74,500</u>	<u>74,500</u>
Non-controlling interests	<u>1,498</u>	<u>1,482</u>
Total Equity	<u>75,998</u>	<u>75,982</u>

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2018 (Continued)

	Unaudited	Audited
	As at	As at
	31.03.2018	31.12.2017
	RM '000	RM '000
	<hr/>	<hr/>
Non-current liabilities		
Finance lease liabilities	977	849
Retirement benefits	3,656	4,111
Deferred tax liabilities	806	806
	<hr/>	<hr/>
	5,439	5,766
	<hr/>	<hr/>
Current liabilities		
Trade payables	3,477	4,536
Other payables, deposits and accruals	8,453	13,212
Provision and contingent liabilities	17	0
Finance lease liabilities	614	466
Tax payables	466	546
	<hr/>	<hr/>
	13,027	18,760
	<hr/>	<hr/>
Total liabilities	18,466	24,526
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITES	94,464	100,508
	<hr/>	<hr/>
	-	-
Net Assets	75,998	75,982
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 2017 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 2017**

	← Non Distributable →			← Distributable →		
	Share Capital	Treasury Shares	Currency Translation Reserve	Retained Earnings	Non-controlling Interests	Total Equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
As at 1 January 2017	72,000	(1,683)	(911)	6,865	968	77,239
Defined benefit plan actuarial gain	-	-	-	88	-	88
Share of other comprehensive income of associate	-	-	146	-	-	146
Foreign currency translation	-	-	93	-	30	123
Total other comprehensive income/(loss) for the year	-	-	239	88	30	357
(Loss)/Profit net of tax	-	-	-	(2,082)	684	(1,398)
Total comprehensive income for for the year	-	-	239	(1,994)	714	(1,041)
Transactions with owners	-	-	-	-	-	-
Share repurchased	-	(16)	-	-	-	(16)
Disposal of non-controlling interest	-	-	-	-	(200)	(200)
Total transactions with owners	-	(16)	-	-	(200)	(216)
As at 31 December 2017	72,000	(1,699)	(672)	4,871	1,482	75,982

CNI HOLDINGS BERHAD
(Company No : 181758-A)

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

	← Non Distributable →			← Distributable →		
	Share Capital	Treasury Shares	Currency Translation Reserve	Retained Earnings	Non-controlling Interests	Total Equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
As at 1 January 2018	72,000	(1,699)	(672)	4,871	1,482	75,982
Comprehensive income						
Loss for the period	-	-	-	(12)	17	5
Other comprehensive loss						
Foreign currency translation	-	-	23	-	(1)	22
Total comprehensive income/(loss) for the period	-	-	23	(12)	16	27
Transactions with owners						
Purchase of treasury shares	-	(11)	-	-	-	(11)
Total transactions with owners	-	(11)	-	-	-	(11)
As at 31 March 2018	<u>72,000</u>	<u>(1,710)</u>	<u>(649)</u>	<u>4,859</u>	<u>1,498</u>	<u>75,998</u>

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 2017 and the explanatory notes attached to the interim financial statements

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

	31.03.2018	31.03.2017
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows from Operating Activities		
Profit/(Loss) before taxation	74	(1,301)
Adjustments for:-		
Amortisation of intangible assets	81	94
Depreciation of property, plant and equipment	548	594
Interest expenses	21	2
Interest revenue	(31)	(27)
Inventories (written down)/written off	(68)	16
Income distribution from short term investment	(112)	(91)
(Gain)/Loss on disposal of property, plant and equipment	(6)	-
Property, plant and equipment written off	11	6
Provision/(Reversal) for employee benefits expenses	17	(17)
Retirement benefits expense	20	44
Share of profit of associated companies	(36)	(164)
Unrealised loss/(gain) on foreign exchange	249	(226)
Operating profit/(loss) before working capital changes	<u>768</u>	<u>(1,070)</u>
Decrease/(Increase) in inventories	(1,124)	(249)
Decrease/(Increase) in receivables	3,955	791
(Decrease)/Increase in payables	(5,818)	(347)
Net cash used in operations	<u>(2,219)</u>	<u>(875)</u>
Interest paid	(21)	(2)
Interest received	31	27
Tax paid	(47)	(160)
Tax refund	28	109
Net cash used in operating activities	<u>(2,228)</u>	<u>(901)</u>

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (Continued)

	31.03.2018	31.03.2017
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows from Investing Activities		
Income distribution from short term funds	112	91
Purchase of property, plant and equipment	(44)	(531)
Purchase of intangible assets	(12)	-
Purchase of investment property	-	(570)
Proceeds from disposal of property, plant and equipment	6	1
(Purchase) /Withdrawal of short-term investments	(564)	3047
Net cash (used in)/ generated from investing activities	<u>(502)</u>	<u>2,038</u>
Cash Flows from Financing Activities		
Purchase of treasury shares	(11)	(9)
Increase /(Payment) of finance lease liabilities	276	291
Retirement benefit paid	(475)	(3,000)
Net cash used in financing activities	<u>(210)</u>	<u>(2,718)</u>
Effect of exchange rate changes	23	(338)
Net decrease in cash and cash equivalent	<u>(2,916)</u>	<u>(1,919)</u>
Cash and cash equivalent at beginning of the financial year	8,561	10,243
Cash and cash equivalent at end of the financial year	<u>5,645</u>	<u>8,324</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 2017 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 2017. 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 2017.

A2. Significant Accounting Policies

The accounting policies and presentation adapted by the Group in this interim financial statements are consistent with those adopted for the audited financial statements of the Group for the financial year ended 31 December 2017.

Effective for financial periods beginning on or after 1 January 2019

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Prepayment Feature with Negative Compensation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 119	Plan Amendments, Curtailment or Settlement

Annual Improvements to MFRSs 2015-2017 Cycle

Effective for financial periods beginning on or after 1 January 2021

MFRS 17	Insurance Contracts
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Effective date to be announced

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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MFRS 15, Revenue from Contracts with Customers

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognized upon delivery of goods when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

With the adoption of MFRS15, does not have a material effect on the Group's financial statements.

MFRS 16, Leases

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

MFRS 9, Financial Instruments

The Group adopted MFRS 9 Financial Instruments on 1 January 2018. MFRS 9 replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

MFRS 9 contains the classifications categories for financial assets either measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The standard eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available for sale.

MFRS 9 also replaces the incurred loss model in MFRS 139 with a forward-looking Expected credit loss ("ECL") model. Under MFRS 9 loss allowances will be measured on either 12 month ECLs or Lifetime ECLs and the Group elected not to restate the comparatives.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

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

Unaudited Financial Results of the Group for First Quarter Ended 31 March 2018

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 31 March 2018.

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 March 2018.

A6. Debts and Equity Securities

Save as disclosed below, there were no issuances, repurchases and repayments of debt and equity securities during the quarter ended 31 March 2018.

The Company bought back from the open market 100,000 ordinary shares of the Company ("CNI Shares") at an average buy-back price of RM0.11 per share. The total consideration paid, including transaction costs, was RM11,084 and it was financed by internally generated funds. The CNI Shares bought back were being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

As at 31 March 2018, the number of treasury shares held was 7,157,100 CNI Shares.

A7. Fair Value Changes of Financial Liabilities

As at 31 March 2018, 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 March 2018.

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

Unaudited Financial Results of the Group for First Quarter Ended 31 March 2018

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
	31.03.18	31.03.18	31.03.18	31.03.18
	RM'000	RM'000	RM'000	RM'000
Marketing and trading	13,671	(255)	13,671	(255)
Manufacturing	10,735	281	10,736	281
Others	769	(190)	768	(190)
Inter-segment elimination	(6,890)	202	(6,890)	202
	<u>18,285</u>	<u>38</u>	<u>18,285</u>	<u>38</u>
Share of profit of associates		36		36
Income tax expense		(69)		(69)
Non-controlling interests		(17)		(17)
Loss for the period		<u>(12)</u>		<u>(12)</u>

Business Segment	Previous Year Corresponding Quarter		Previous Year to-date	
	Revenue	Result	Revenue	Result
	31.03.17	31.03.17	31.03.17	31.03.17
	RM'000	RM'000	RM'000	RM'000
Marketing and trading	16,758	(204)	16,758	(204)
Manufacturing	6,805	(818)	6,805	(818)
Others	1,773	723	1,773	723
Inter-segment elimination	(6,543)	(1,167)	(6,543)	(1,167)
	<u>18,793</u>	<u>(1,466)</u>	<u>18,793</u>	<u>(1,466)</u>
Share of profit of associates		165		165
Income tax credit		117		117
Non-controlling interests		225		225
Loss for the period		<u>(959)</u>		<u>(959)</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 2017.

Investment properties are stated at fair value as at 31 December 2017. 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 18 May 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

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 2017.

CNI Holdings Berhad (Company No.: 181758-A)Unaudited Financial Results of the Group for First Quarter Ended 31 March 2018

A14. Capital Commitments

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

	As at 31.03.18 RM '000
Capital expenditure approved and contracted for	68
Capital expenditure approved and not contracted for	2,238
	<hr/> 2,306 <hr/>

A15. Related Party Disclosures

Related party transactions were summarized as follows:

	Current quarter RM '000
<u>CNI Corporation Sdn Bhd</u>	
Management fee paid and payable	73
IT and eCommerce related service	53
Trade purchase paid and payable	132
Commission receivable	67
<u>CNI Venture Sdn Bhd</u>	
Research and development expenditure paid and payable	74
<u>CNI China Co. Ltd.</u>	
Sales received and receivable	-
<u>CNI IPHC</u>	
Trademark fee paid and payable	58
<u>Law Yang Keat</u>	
Sales development and marketing advisory paid and payable	18

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

Unaudited Financial Results of the Group for First Quarter Ended 31 March 2018

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 First Quarter**

The Group recorded revenue of RM18.3 million for the current quarter ended 31 March 2018 as compared to RM18.8 million in the previous year corresponding quarter, decreased by 3%.

Business Segment	Quarter Ended				Increase/ (Decrease)			
	Revenue		Result		Revenue		Result	
	31.03.18	31.03.17	31.03.18	31.03.17	RM'000	%	RM'000	%
	RM'000	RM'000	RM'000	RM'000	RM'000	%	RM'000	%
Marketing and trading	13,671	16,758	(255)	(204)	(3,087)	-18%	(51)	-25%
Manufacturing	10,735	6,805	281	(818)	3,930	58%	1,099	134%
Others	769	1,773	(190)	723	(1,004)	-57%	(913)	126%
Inter-segment elimination	(6,890)	(6,543)	202	(1,167)				
	18,285	18,793	38	(1,466)	(508)	-3%	1,504	103%
Share of associate result			36	165				
Profit/(Loss) before tax			74	(1,301)				

The revenue from the marketing and trading segment decreased from RM16.7 million to RM13.7 million, a decrease of 18% as compared to the previous corresponding quarter. This was mainly attributable to lower revenue generated by the multi-level marketing.

Revenue contribution from the manufacturing segment increased from RM6.8 million to RM10.7 million, an increase of 58% as compared to the previous corresponding quarter. The higher revenue was mainly contributed by the increased of Exclusive Mark's external sales.

The others segment representing investment holding, retail of food and beverage businesses. The revenue decrease from RM 1.8 million to RM 0.8 million mainly due to a dividend income received from Symplesoft Sdn Bhd of RM 1 million in Jan 2017.

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

Unaudited Financial Results of the Group for First Quarter Ended 31 March 2018

B1. Operating Segment Review (Continued)

(b) Results for Financial Year-to-date

The Group's revenue for the financial period ended 31 March 2018 was RM18.3 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 March 2018 was RM0.074 million.

Business Segment	Year-to-date ended				Increase/ (Decrease)			
	Revenue		Result		Revenue		Result	
	31.03.18	31.03.17	31.03.18	31.03.17				
	RM'000	RM'000	RM'000	RM'000	RM'000	%	RM'000	%
Marketing and trading	13,671	16,758	(255)	(204)	(3,087)	-18%	(51)	-25%
Manufacturing	10,736	6,805	281	(818)	3,931	58%	1,099	-134%
Others	768	1,773	(190)	723	(1,005)	-57%	(913)	126%
Inter-segment elimination	(6,890)	(6,543)	202	(1,167)				
	18,285	18,793	38	(1,466)	(508)	-3%	1,504	103%
Share of associate result			36	165				
Profit/(Loss) before tax			74	(1,301)				

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 RM0.074 million, compared to PBT of RM0.027 million in the immediate preceding quarter, mainly driven by lower operating expenses in current quarter.

	Current Quarter	Preceding Quarter	Changes
	31.03.2018	31.12.2017	
	RM '000	RM '000	%
Revenue	18,285	21,740	-16%
Profit/(Loss) before tax	74	27	172%
Profit/(Loss) after tax	5	(1,151)	-100%
Profit/(Loss) attributable to ordinary equity holders of the parent	(12)	(1,144)	-99%

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

Unaudited Financial Results of the Group for First Quarter Ended 31 March 2018

B3 Commentary on Prospects and Targets

The Marketing & Trading Segment will consolidate its business venture and focus in strengthening the growth of its networking starting in Malaysia.

The Group is seeking opportunity to expand its business venture while continuing to enhance current operation, cost containment and productivity improvement via the use of digital technologies and other innovation ideas.

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 31.03.18 RM '000	Previous Year Corresponding Quarter 31.03.17 RM '000
Interest income	31	27
Gain/(Loss) on foreign exchange	(365)	183
Other income	316	225
	<hr/> (18) <hr/>	<hr/> 435 <hr/>

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

Unaudited Financial Results of the Group for First Quarter Ended 31 March 2018

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)	<u>69</u>	<u>69</u>

B6. Corporate Proposals

Save as disclosed below, there were no corporate proposals announced but not completed as at 18 May 2018 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report).

On 2 April 2018, the Board had announced that the Company intends to seek its shareholders' approval for the following proposals at the forthcoming Annual General Meeting of the Company:

- a) Proposed Renewal of Existing Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature; and
- b) Proposed Renewal of Authority for the Company to Purchase its Own Shares.

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

Unaudited Financial Results of the Group for First Quarter Ended 31 March 2018

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 31.03.2018

Secured	Foreign Denomination		RM Denomination	Total
	THB '000*	RM '000	RM '000	RM '000
Short term borrowings				
Hire Purchase	97	12	602	614
Long term borrowings				
Hire Purchase	-	-	977	977
	97	12	1,579	1,591

*Exchange rate for THB 100 : 12.39

As at 31.03.2017

Secured	Foreign Denomination		RM Denomination	Total
	THB '000*	RM '000	RM '000	RM '000
Short term borrowings				
Hire Purchase	195	25	165	190
Long term borrowings				
Hire Purchase	117	15	287	302
	312	40	452	492

*Exchange rate for THB 100 : 12.85

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 First Quarter Ended 31 March 2018

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 31.03.18	Year to Date 31.03.18
Profit/(Loss) attributable to the equity holders of the parent (RM'000)	(12)	(12)
Weighted average number of ordinary share ('000)	712,905	712,905
Basic earnings per ordinary share (sen)	(0.00)	(0.00)

(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 First Quarter Ended 31 March 2018

B11. Notes to the Condensed Consolidated Income Statement

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

	First Quarter	
	Individual	
	31.03.2018	31.03.2017
	RM '000	RM '000
Amortisation of intangible assets	81	94
Depreciation of property, plant and equipment	548	594
Interest expenses	21	2
Interest revenue	(31)	(27)
Inventories (written down)/written off	(68)	16
Income distribution from short term investment	(112)	(91)
(Gain)/Loss on disposal of property, plant and equipment	(6)	-
Property, plant and equipment written off	11	6
Provision/(Reversal) for employee benefits expenses	17	(17)
Retirement benefits expense	20	44
Share of profit of associated companies	(36)	(164)
Unrealised loss/(gain) on foreign exchange	249	(226)

B12. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2017 was unqualified.

B13. Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 May 2018.