

CNI HOLDINGS BERHAD
(Company No : 181758-A)

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

	Note	Individual Period		Cumulative Period	
		31.03.2017 Unaudited RM '000	31.03.2016 Unaudited RM '000	31.03.2017 Unaudited RM '000	31.03.2016 Unaudited RM '000
Operating revenue		18,793	23,108	18,793	23,108
Direct operating costs		(8,396)	(9,184)	(8,396)	(9,184)
Gross profit		10,397	13,924	10,397	13,924
Other operating revenue	B4	435	(261)	435	(261)
Other operating costs		(11,789)	(15,355)	(11,789)	(15,355)
Finance costs		(3)	(3)	(3)	(3)
Depreciation & amortisation		(506)	(529)	(506)	(529)
		(1,466)	(2,224)	(1,466)	(2,224)
Share of profit/(loss) of associates		165	(235)	165	(235)
Loss before taxation		(1,301)	(2,459)	(1,301)	(2,459)
Taxation		117	795	117	795
Loss net of taxation		(1,184)	(1,664)	(1,184)	(1,664)
Other comprehensive (loss)/income					
Foreign currency translation		(281)	617	(281)	617
Total comprehensive (loss)/income for the period		(1,465)	(1,047)	(1,465)	(1,047)
Loss attributable to :					
Equity holders of the Company		(959)	(1,533)	(959)	(1,533)
Non-controlling interests		(225)	(131)	(225)	(131)
		(1,184)	(1,664)	(1,184)	(1,664)

CNI HOLDINGS BERHAD
(Company No : 181758-A)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME
 FOR FIRST QUARTER ENDED 31 MARCH 2017 (Continued)**

	Individual Period		Cumulative Period	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	Unaudited	Unaudited	Unaudited	Unaudited
	RM '000	RM '000	RM '000	RM '000
Total comprehensive (loss)/profit attributable to :				
Equity holders of the Company	(1,240)	(916)	(1,240)	(916)
Non-controlling interests	(225)	(131)	(225)	(131)
	(1,465)	(1,047)	(1,465)	(1,047)
Earnings per share (sen)				
Basic	(0.13)	(0.21)	(0.13)	(0.21)
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 MARCH 2017

	Unaudited	Audited
	As at	As at
	31.03.2017	31.12.2016
	RM '000	RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	34,825	34,978
Investment properties	1,970	1,400
Investment in associate company	2,776	2,611
Investment in preference share	3,500	3,500
Other intangible assets	1,789	1,617
Deferred tax assets	2,301	2,168
	<u>47,161</u>	<u>46,274</u>
Current assets		
Inventories	13,429	13,443
Trade receivables	11,707	11,036
Other receivables, deposits and prepayments	3,480	6,245
Investments	10,108	13,155
Tax assets	609	895
Cash and bank balances	8,324	10,243
	<u>47,657</u>	<u>55,017</u>
TOTAL ASSETS	<u>94,818</u>	<u>101,291</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	72,000	72,000
Treasury shares	(1,692)	(1,683)
Retained earnings	6,650	7,609
Other reserves	(1,936)	(1,655)
	<u>75,022</u>	<u>76,271</u>
Non-controlling interests	743	968
Total Equity	<u>75,765</u>	<u>77,239</u>

CNI HOLDINGS BERHAD
(Company No : 181758-A)

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

	Unaudited	Audited
	As at	As at
	31.03.2017	31.12.2016
	RM '000	RM '000
Non-current liabilities		
Finance lease liabilities	302	117
Retirement benefits	4,054	7,011
Deferred tax liabilities	1,355	1,355
	<u>5,711</u>	<u>8,483</u>
Current liabilities		
Trade payables	5,282	4,362
Other payables, deposits and accruals	7,769	10,681
Provision and contingent liabilities	101	44
Finance lease liabilities	190	85
Tax payables	-	397
	<u>13,342</u>	<u>15,569</u>
Total liabilities	<u>19,053</u>	<u>24,052</u>
TOTAL EQUITY AND LIABILITES	<u>94,818</u>	<u>101,291</u>
Net Assets	75,765	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 FIRST QUARTER ENDED 31 MARCH 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 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 FIRST QUARTER ENDED 31 MARCH 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	-	-	-	-	(959)	(225)	(1,184)
Other comprehensive loss							
Foreign currency translation	-	-	(281)	-	-	-	(281)
Total comprehensive income/(loss) for the period	-	-	(281)	-	(959)	(225)	(1,465)
Transactions with owners							
Purchase of treasury shares	-	(9)	-	-	-	-	(9)
Total transactions with owners	-	(9)	-	-	-	-	(9)
As at 31 March 2017	72,000	(1,692)	(1,936)	-	6,650	743	75,765

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 FIRST QUARTER ENDED 31 MARCH 2017

	31.03.2017	31.03.2016
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows from Operating Activities		
Loss before taxation	(1,301)	(2,459)
Adjustments for:-		
Amortisation of intangible assets	94	130
Depreciation of property, plant and equipment	594	562
Interest expenses	2	3
Interest revenue	(27)	(73)
Inventories written off	16	53
Investment income	(91)	(129)
Property, plant and equipment written off	6	19
Provision/(Reversal) for employee benefits expenses	(17)	(56)
Retirement benefits expense	44	78
Share of (profit)/loss of associated companies	(164)	236
Unrealised loss/(gain) on foreign exchange	(226)	824
Operating loss before working capital changes	<u>(1,070)</u>	<u>(812)</u>
Decrease/(Increase) in inventories	(249)	(165)
Decrease/(Increase) in receivables	791	(1,342)
(Decrease)/Increase in payables	(347)	(5,612)
Cash (used in)/generated from operations	<u>(875)</u>	<u>(7,931)</u>
Interest paid	(2)	(3)
Interest received	27	73
Retirement benefit paid	(3,000)	-
Tax paid	(160)	-
Tax refund	109	308
Net cash (used in)/ from operating activities	<u>(3,901)</u>	<u>(7,553)</u>

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017 (Continued)

	31.03.2017	31.03.2016
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows from Investing Activities		
Investment income	91	129
Purchase of property, plant and equipment	(531)	(73)
Purchase of investment property	(570)	-
Proceeds from disposal of property, plant and equipment	1	2
Withdrawal/(Purchase) of short-term investments	3,047	3,992
Net cash from/(used in) investing activities	<u>2,038</u>	<u>4,050</u>
Cash Flows from Financing Activities		
Purchase of treasury shares	(9)	(5)
Repayment/(payment) of hire purchase liabilities	291	(11)
Net cash used in financing activities	<u>282</u>	<u>(16)</u>
Effect of exchange rate changes	(338)	726
Net decrease in cash and cash equivalent	(1,919)	(2,793)
Cash and cash equivalent at beginning of the financial year	10,243	12,783
Cash and cash equivalent at end of the financial year	<u>8,324</u>	<u>9,990</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

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 First Quarter Ended 31 March 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 128	Investments in Associates and Joint Ventures	1 January 2018
MFRS 140	Investment Property	1 January 2018
<u>New IC Int</u>		
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
<u>New IC Interpretation</u>		

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 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 March 2017.

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

Unaudited Financial Results of the Group for First Quarter Ended 31 March 2017

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 31 March 2017:

The Company bought back from the open market 120,000 ordinary shares of the Company (“CNI Shares”) at an average buy-back price of RM0.075 per share. The total consideration paid, including transaction costs, was RM9,069 and its 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 2017, the number of treasury shares held was 6,957,100 CNI Shares.

A7. Fair Value Changes of Financial Liabilities

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

A8. Dividends Paid

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

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

Unaudited Financial Results of the Group for First Quarter Ended 31 March 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 31.03.17	Result 31.03.17	Revenue 31.03.17	Result 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		<u>225</u>		<u>225</u>
Loss for the period		<u>(959)</u>		<u>(959)</u>

A9. Segmental Information (Continued)

Business Segment	Previous Year Corresponding Quarter		Previous Year to-date	
	Revenue 31.03.16	Result 31.03.16	Revenue 31.03.16	Result 31.03.16
	RM'000	RM'000	RM'000	RM'000
Marketing and trading	20,441	(2,025)	20,441	(2,025)
Manufacturing	8,938	347	8,938	347
Others	2,370	1,091	2,370	1,091
Inter-segment elimination	(8,641)	(1,637)	(8,641)	(1,637)
	<u>23,108</u>	<u>(2,224)</u>	<u>23,108</u>	<u>(2,224)</u>
Share of loss of associates		(235)		(235)
Income tax credit		795		795
Non-controlling interests		<u>131</u>		<u>131</u>
Loss for the period		<u>(1,533)</u>		<u>(1,533)</u>

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

Unaudited Financial Results of the Group for First Quarter Ended 31 March 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 19 May 2017 (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 2016.

A14. Capital Commitments

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

	As at 31.03.2017 RM '000
Capital expenditure approved and contracted for:	
Purchase of property, plant and equipment	61
Acquisition of computer software	97
	<hr/> 158 <hr/>

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

Unaudited Financial Results of the Group for First Quarter Ended 31 March 2017

A15. Related Party Disclosures

Related party transactions were summarized as follows:

	Current/Cumulative quarter RM '000
<u>CNI Corporation Sdn Bhd</u>	
Management fee paid and payable	83
IT and eCommerce related service	53
<u>Fortune Venture Inc</u>	
Sales received and receivable	48
<u>Qingdao Mark Foods Co., Ltd</u>	
Sales received and receivable	192
<u>CNI IPHC</u>	
Trademark fee paid and payable	67
<u>Sepang Goldcoast Sdn Bhd</u>	
Rental received and receivable	66
<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 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 First Quarter

The Group recorded revenue of RM18.8 million for the current quarter ended 31 March 2017 as compared to RM23.1 million in the previous year corresponding quarter, decreased by 19%.

Business Segment	Quarter Ended				Increase/ (Decrease)			
	Revenue		Result		Revenue		Result	
	31.03.17	31.03.16	31.03.17	31.03.16				
	RM'000	RM'000	RM'000	RM'000	RM'000	%	RM'000	%
Marketing and trading	16,758	20,441	(204)	(2,025)	(3,683)	-18%	1,821	90%
Manufacturing	6,805	8,938	(818)	347	(2,133)	-24%	(1,165)	-336%
Others	1,773	2,370	723	1,091	(597)	-25%	(368)	-34%

The revenue from the marketing and trading segment decreased from RM20.4 million to RM16.8 million, a decrease of 18% as compared to the previous corresponding quarter. The decrease in revenue was mainly attributable to lower sales generated from local and overseas multi-level marketing. However, the result had improved mainly due to lower operating expenses.

Revenue from the manufacturing segment decreased from RM8.9 million to RM6.8 million, a decrease of 24% as compared to the previous corresponding quarter. This was mainly attributable to lower contribution from internal and as well as external sales. Hence, the result decreased from RM0.3 million to (RM0.8 million) accordingly.

Segment of others representing investment holding and retail of food and beverage businesses. Revenue decreased from RM2.4 million to RM1.8 million mainly due to lower dividend income received for the current quarter. This had contributed to lower result for the current quarter as compared to the previous corresponding quarter.

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

Unaudited Financial Results of the Group for First Quarter Ended 31 March 2017

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

The Group recorded revenue of RM18.8 million for the financial period ended 31 March 2017 as compared to RM23.1 million in the previous financial year's corresponding quarter, decreased by 19%. The Group loss before tax ("LBT") for the financial period ended 31 March 2017 was RM1.3 million, as compared to LBT of RM2.5 million in the previous financial period ended 31 March 2016.

The decrease in revenue was mainly attributable to lower revenue achieved by the multi-level marketing and manufacturing segments.

Business Segment	Year-to-date ended				Increase/(Decrease)			
	Revenue		Result		Revenue		Result	
	31.03.17	31.03.16	31.03.17	31.03.16				
	RM'000	RM'000	RM'000	RM'000	RM'000	%	RM'000	%
Marketing and trading	16,758	20,441	(204)	(2,025)	(3,683)	-18%	1,821	90%
Manufacturing	6,805	8,938	(818)	347	(2,133)	-24%	(1,165)	-336%
Others	1,773	2,370	723	1,091	(597)	-25%	(368)	-34%

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

The Group's LBT for the current quarter was RM1.3 million, compared to LBT of RM0.7 million in the preceding quarter. Higher LBT was mainly due to lower revenue achieved by the Group in the current quarter.

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 31.03.17 RM '000	Previous Year Corresponding Quarter 31.03.2016 RM '000
Interest income	27	73
Gain/(Loss) on foreign exchange	183	(718)
Other income	225	384
	<hr/>	<hr/>
	435	(261)
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CNI Holdings Berhad (Company No.: 181758-A)Unaudited Financial Results of the Group for First Quarter Ended 31 March 2017

B5. Realised and Unrealised Profits

	As at 31.03.17 RM '000	As at 31.12.2016 RM '000
Total retained profits of the group		
- Realised profits	34,908	36,658
- Unrealised profits	2,691	1,413
	<u>37,599</u>	<u>38,071</u>
Total share of retained earnings from associate company		
- Realised	(2,757)	(2,922)
Less: Consolidation adjustments	(28,192)	(27,540)
Total retained profits as per statement of financial position	<u>6,650</u>	<u>7,609</u>

B6. 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>(117)</u>	<u>(117)</u>

B7. Corporate Proposals

Save as disclosed below. There were no corporate proposals announced but not completed as at 19 May 2017 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report):

On 31 March 2017, 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 2017

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 31.03.17 RM '000
<u>Secured</u>	
Short term borrowings	190
Long term borrowings	302
	<hr/>
	492
	<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 First Quarter Ended 31 March 2017

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 31.03.2017	Year to Date 31.03.2017
Loss attributable to the equity holders of the parent (RM'000)	(959)	(959)
Weighted average number of ordinary share ('000)	713,119	713,119
Basic earnings per ordinary share (sen)	(0.13)	(0.13)

(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 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 25 May 2017.