

CNI HOLDINGS BERHAD
(Company No : 181758-A)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017**

	Individual Period			Cumulative Period		
	30.09.2017	30.09.2016	%	30.09.2017	30.09.2016	%
	Unaudited RM '000	Unaudited RM '000		Unaudited RM '000	Unaudited RM '000	
Operating revenue	24,854	18,292	36%	63,384	67,134	-6%
Direct operating costs	(8,503)	(8,757)		(25,782)	(28,982)	
Gross profit	16,351	9,535	71%	37,602	38,152	-1%
Other operating revenue	(147)	1,234	-112%	375	1,717	-78%
Other operating costs	(12,815)	(12,127)		(35,853)	(42,288)	
Finance costs	(2)	1		(9)	(4)	
Depreciation & amortisation	(517)	(526)		(1,545)	(1,581)	
	2,870	(1,883)		570	(4,004)	
Share of results of associates	(351)	(8)		(562)	(427)	
Profit/(Loss) before taxation	2,519	(1,891)	233%	8	(4,431)	100%
Taxation	(475)	23		(204)	763	
Profit/(Loss) net of taxation	2,044	(1,868)	209%	(196)	(3,668)	95%
Other comprehensive (loss)/income						
Foreign currency translation	(281)	(265)		(201)	79	
Total comprehensive (loss)/income for the period	1,763	(2,133)		(397)	(3,589)	
Profit/(Loss) attributable to :						
Equity holders of the Company	1,475	(1,734)	185%	(917)	(3,538)	74%
Non-controlling interests	569	(134)		721	(130)	
	2,044	(1,868)		(196)	(3,668)	

CNI HOLDINGS BERHAD

(Company No : 181758-A)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017 (Continued)

	Individual Period		Cumulative Period	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	Unaudited	Unaudited	Unaudited	Unaudited
	RM '000	RM '000	RM '000	RM '000
Total comprehensive (loss)/profit attributable to :				
Equity holders of the Company	1,194	(1,999)	(1,118)	(3,459)
Non-controlling interests	569	(134)	721	(130)
	<u>1,763</u>	<u>(2,133)</u>	<u>(397)</u>	<u>(3,589)</u>
Earnings per share (sen)				
Basic	0.21	(0.24)	(0.13)	(0.50)
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 30 SEPTEMBER 2017

	Unaudited	Audited
	As at	As at
	30.09.2017	31.12.2016
	RM '000	RM '000
	_____	_____
ASSETS		
Non-current assets		
Property, plant and equipment	34,201	34,978
Investment properties	1,970	1,400
Investment in associate company	2,049	2,611
Investment in preference share	3,500	3,500
Other intangible assets	1,363	1,617
Deferred tax assets	2,415	2,168
	_____	_____
	45,498	46,274
Current assets		
Inventories	15,102	13,443
Trade receivables	14,508	11,036
Other receivables, deposits and prepayments	3,268	6,245
Investments	12,599	15,692
Tax assets	519	895
Cash and cash equivalents	4,949	7,706
	_____	_____
	50,945	55,017
	_____	_____
TOTAL ASSETS	96,443	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	6,692	7,609
Foreign exchange reserve	(1,856)	(1,655)
	_____	_____
	75,137	76,271
Non-controlling interests	1,689	968
	_____	_____
Total Equity	76,826	77,239

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017 (Continued)

	Unaudited	Audited
	As at	As at
	30.09.2017	31.12.2016
	RM '000	RM '000
Non-current liabilities		
Finance lease liabilities	198	117
Retirement benefits	4,142	7,011
Deferred tax liabilities	1,355	1,355
	<u>5,695</u>	<u>8,483</u>
Current liabilities		
Trade payables	2,657	4,362
Other payables, deposits and accruals	10,912	10,681
Provision and contingent liabilities	163	44
Finance lease liabilities	190	85
Tax payables	-	397
	<u>13,922</u>	<u>15,569</u>
Total liabilities	<u>19,617</u>	<u>24,052</u>
TOTAL EQUITY AND LIABILITES	<u>96,443</u>	<u>101,291</u>
Net Assets	76,826	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 THIRD QUARTER ENDED 30 SEPTEMBER 2017

	← 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 THIRD QUARTER ENDED 30 SEPTEMBER 2017

	← 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 2017	72,000	(1,683)	(1,655)	-	7,609	968	77,239
Comprehensive income							
Loss for the period	-	-	-	-	(917)	721	(196)
Other comprehensive loss							
Foreign currency translation	-	-	(201)	-	-	-	(201)
Total comprehensive income/(loss) for the period	-	-	(201)	-	(917)	721	(397)
Transactions with owners							
Purchase of treasury shares	-	(16)	-	-	-	-	(16)
Total transactions with owners	-	(16)	-	-	-	-	(16)
As at 30 September 2017	72,000	(1,699)	(1,856)	-	6,692	1,689	76,826

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 THIRD QUARTER ENDED 30 SEPTEMBER 2017

	30.09.2017	30.09.2016
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows from Operating Activities		
Profit/(Loss) before taxation	8	(4,431)
Adjustments for:-		
Amortisation of intangible assets	384	393
Depreciation of property, plant and equipment	1,162	1,693
Interest expenses	9	4
Interest revenue	(90)	(129)
Inventories written off	141	170
Income distribution from short term investment	(248)	(1,148)
(Gain)/Loss on disposal of property, plant and equipment	(35)	6
Property, plant and equipment written off	10	65
Provision/(Reversal) for employee benefits expenses	(215)	(51)
Impairment loss on trade and other receivable	9	-
Retirement benefits expense	131	233
Share of (profit)/loss of associated companies	562	427
Unrealised loss/(gain) on foreign exchange	1,029	350
Operating loss before working capital changes	<u>2,857</u>	<u>(2,418)</u>
Decrease/(Increase) in inventories	(1,800)	(938)
Decrease/(Increase) in receivables	(1,532)	1,795
(Decrease)/Increase in payables	(1,140)	(3,778)
Cash (used in)/generated from operations	<u>(1,615)</u>	<u>(5,339)</u>
Interest paid	(9)	(4)
Interest received	90	129
Tax paid	(687)	(286)
Tax refund	215	388
Net cash (used in)/ from operating activities	<u>(2,007)</u>	<u>(5,112)</u>

CNI HOLDINGS BERHAD
(Company No : 181758-A)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (Continued)

	30.09.2017	30.09.2016
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows from Investing Activities		
Investment income	248	1,148
Placement of time deposits	-	-
Purchase of property, plant and equipment	(441)	(1,020)
Purchase of intangible assets	(130)	(61)
Purchase of investment property	(570)	-
Proceeds from disposal of property, plant and equipment	-	57
Proceeds from disposal of other intangible asset	-	1
Withdrawal/(Purchase) of short-term investments	3,093	521
Net cash from/(used in) investing activities	<u>2,200</u>	<u>646</u>
Cash Flows from Financing Activities		
Purchase of treasury shares	(16)	(9)
Increase /(Payment) of finance lease liabilities	186	148
Retirement benefit paid	(3,000)	-
Dividend paid	-	(2,140)
Net cash used in financing activities	<u>(2,830)</u>	<u>(2,001)</u>
Effect of exchange rate changes	(120)	83
Net decrease in cash and cash equivalent	<u>(2,757)</u>	<u>(6,384)</u>
Cash and cash equivalent at beginning of the financial year	7,706	10,243
Cash and cash equivalent at end of the financial year	<u>4,949</u>	<u>3,859</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
MFRS 17	Insurance Contracts	1 January 2021
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time adoption of MFRS	1 January 2018
MFRS 2	Share-based Payment	1 January 2018

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 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
IC Int 23	Uncertainty Over Income Tax Treatments	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.

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 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 30 September 2017.

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 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 ended 30 September 2017:

The Company bought back from the open market 100,000 ordinary shares of the Company (“CNI Shares”) at an average buy-back price of RM0.071 per share. The total consideration paid, including transaction costs, was RM7,054 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 30 September 2017, the number of treasury shares held was 7,057,100 CNI Shares.

A7. Fair Value Changes of Financial Liabilities

As at 30 September 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 30 September 2017.

CNI Holdings Berhad (Company No.: 181758-A)Unaudited Financial Results of the Group for Third Quarter Ended 30 September 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
	30.09.17	30.09.17	30.09.17	30.09.17
	RM'000	RM'000	RM'000	RM'000
Marketing and trading	15,926	497	48,803	(387)
Manufacturing	16,182	3,159	34,089	3,942
Others	733	(282)	3,181	5
Inter-segment elimination	(7,987)	(505)	(22,689)	(2,989)
	<u>24,854</u>	2,869	<u>63,384</u>	571
Share of profit of associates		(351)		(562)
Income tax credit		(475)		(204)
Non-controlling interests		(569)		(721)
Loss for the period		<u>1,474</u>		<u>(916)</u>

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 2017

A9. Segmental Information (Continued)

Business Segment	Previous Year Corresponding Quarter		Previous Year to-date	
	Revenue	Result	Revenue	Result
	30.09.16	30.09.16	30.09.16	30.09.16
	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)	3,858	1,310
Inter-segment elimination	(5,437)	(43)	(21,475)	(2,341)
	<u>18,292</u>	<u>(1,883)</u>	<u>67,134</u>	<u>(4,004)</u>
Share of loss of associates		(8)		(427)
Income tax credit		23		763
Non-controlling interests		134		130
Loss for the period		<u>(1,734)</u>		<u>(3,538)</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 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

Save as disclosed below, there were no material events subsequent to the reporting period up to 24 November 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.

Symplesoft Sdn Bhd (“SSB”), a wholly-owned subsidiary of the Company had on 16 October 2017 entered into a Sale and Purchase Agreement with CIS IT Solutions Sdn Bhd (“CIS”) for the disposal of its entire 60% equity interest in Sierra Edge Sdn Bhd (“SESB”) comprising of 300,000 ordinary shares in SESB to CIS for a total consideration of Ringgit Malaysia Three Hundred Thousand (RM300,000.00) Only.

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 2017

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 30.09.17 RM '000
Capital expenditure approved and contracted for	1,264
Capital expenditure approved and not contracted for	1,015
	<hr/> 2,279 <hr/>

CNI Holdings Berhad (Company No.: 181758-A)Unaudited Financial Results of the Group for Third Quarter Ended 30 September 2017

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	87	252
IT and eCommerce related service	53	158
Sales received and receivable	207	696
Commission receivable	345	478
<u>CNI Venture Sdn Bhd</u>		
Research and development expenditure paid and payable	90	220
<u>CNI (China) Co., Ltd</u>		
Sales received and receivable	6,573	8,582
<u>CNI IPHC</u>		
Trademark fee paid and payable	54	197
<u>Law Yang Ket</u>		
Sales development and marketing advisory paid and payable	18	54

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

The Group recorded revenue of RM24.8 million for the current quarter ended 30 September 2017 as compared to RM18.3 million in the previous year corresponding quarter, increased by 36%.

Business Segment	Quarter Ended				Increase/ (Decrease)			
	Revenue		Result		Revenue		Result	
	30.09.17	30.09.16	30.09.17	30.09.16	RM'000	%	RM'000	%
	RM'000	RM'000	RM'000	RM'000	RM'000	%	RM'000	%
Marketing and trading	15,926	16,590	497	(429)	(664)	-4%	926	216%
Manufacturing	16,182	6,402	3,159	(880)	9,780	153%	4,039	459%
Others	733	737	(282)	(531)	(4)	-1%	249	47%
Inter-segment elimination	(7,987)	(5,437)	(505)	(43)				
	24,854	18,292	2,869	(1,883)	6,562	36%	4,752	252%
Share of associate result			(351)	(8)				
Profit/(Loss) before tax			2,518	(1,891)				

The revenue from the marketing and trading segment decreased from RM16.6 million to RM15.9 million, a decrease of 4% as compared to the previous corresponding quarter. This was mainly attributable to the 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 RM6.4 million to RM16.1 million, an increase of 153% as compared to the previous corresponding quarter. The increase in the revenue and results was mainly contributed by the increase of external export sales to China market.

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 lower operating expenses.

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 2017

B1. Operating Segment Review (Continued)

(b) Results for Financial Year-to-date

The Group's revenue for the financial period ended 30 September 2017 was RM63.4 million, 6% 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 30 September 2017 was RM 9 thousand.

Business Segment	Year-to-date ended				Increase/ (Decrease)			
	Revenue		Result		Revenue		Result	
	30.09.17	30.09.16	30.09.17	30.09.16	RM'000	%	RM'000	%
Marketing and trading	RM'000	RM'000	RM'000	RM'000	RM'000	%	RM'000	%
	48,803	58,858	(387)	(3,342)	(10,055)	-17%	2,955	88%
Manufacturing	34,089	25,893	3,942	369	8,196	32%	3,573	968%
Others	3,181	3,858	5	1,310	(677)	-18%	(1,305)	-100%
Inter-segment elimination	(22,689)	(21,475)	(2,989)	(2,341)				
	63,384	67,134	571	(4,004)	(3,750)	-6%	4,575	114%
Share of associate result			(562)	(427)				
Profit/(Loss) before tax			9	(4,431)				

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

The Group's Profit Before Tax for the current quarter was RM2.5 million, compared to Loss Before Tax of RM1.2 million in the immediate preceding quarter, mainly driven by higher revenue contribution from the manufacturing segment and decreased operating expenses in the current quarter.

	Current Quarter	Preceding Quarter	Changes
	30.09.2017	30.06.2017	
	RM '000	RM '000	%
Revenue	24,854	19,736	26%
Profit/(Loss) before tax	2,519	(1,209)	308%
Profit/(Loss) after tax	2,044	(1,056)	294%
Profit/(Loss) attributable to ordinary equity holders of the parent	1,475	(1,433)	5%

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 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 30.09.17 RM '000	Previous Year Corresponding Quarter 30.09.16 RM '000
Interest income	38	23
(Loss)/Gain on foreign exchange	(426)	842
Other income	241	369
	<hr/> (147) <hr/>	<hr/> 1,234 <hr/>

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 2017

B5. Realised and Unrealised Profits

	As at 30.09.17 RM '000	As at 31.12.2016 RM '000
Total retained profits of the group		
- Realised profits	39,783	36,468
- Unrealised profits	1,387	3,107
	<u>41,170</u>	<u>39,575</u>
Total share of retained earnings from associate company		
- Realised	(2,914)	(2,922)
Less: Consolidation adjustments	(31,565)	(29,044)
	<u>6,692</u>	<u>7,609</u>
Total retained profits as per statement of financial position	<u>6,692</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>475</u>	<u>204</u>

B7. Corporate Proposals

There were no corporate proposals announced but not completed as at 24 November 2017 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report).

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Unaudited Financial Results of the Group for Third Quarter Ended 30 September 2017

B8. 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 30.09.2017

Secured	Foreign Denomination		RM Denomination	Total
	THB '000*	RM '000	RM '000	RM '000
Short term borrowings				
Hire Purchase	198	25	165	190
Long term borrowings				
Hire Purchase	8	1	196	198
	206	26	361	388

*Exchange rate for THB 100 : 12.6574

As at 30.09.2016

Secured	Foreign Denomination		RM Denomination	Total
	THB '000*	RM '000	RM '000	RM '000
Short term borrowings				
Hire Purchase	193	23	57	81
Long term borrowings				
Hire Purchase	218	26	113	140
	411	49	170	221

*Exchange rate for THB 100 : 11.9316

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.

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 2017

B10. Proposed Dividend

There was no dividend proposed in the current quarter.

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 30.09.17	Year to Date 30.09.17
Profit/(Loss) attributable to the equity holders of the parent (RM'000)	1,475	(917)
Weighted average number of ordinary share ('000)	713,006	713,056
Basic earnings per ordinary share (sen)	0.21	(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.

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

Unaudited Financial Results of the Group for Third Quarter Ended 30 September 2017

B12. Notes to the Condensed Consolidated Income Statement

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

	Third Quarter			
	Individual		Cumulative	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM '000	RM '000	RM '000	RM '000
Amortisation of intangible assets	17	132	384	393
Depreciation of property, plant and equipment	167	557	1,162	1,693
Interest expenses	3	(1)	9	4
Interest revenue	(38)	(23)	(90)	(129)
Inventories written off	29	16	141	170
Income distribution from short term investment	(84)	(111)	(248)	(1,148)
(Gain)/Loss on disposal of property, plant and equipment	(6)	-	(35)	6
Property, plant and equipment written off	2	35	10	65
Provision/(Reversal) for employee benefits expenses	(397)	(33)	(215)	(51)
Retirement benefits expense	43	78	131	233
Share of (profit)/loss of associated companies	351	7	562	427
Unrealised loss/(gain) on foreign exchange	795	(964)	1,029	350

B13. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2016 was unqualified.

B14. Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 November 2017.