



NI HSIN GROUP BERHAD
(Registration No.: 200401014850 (653353-W))
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED

30 SEPTEMBER 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**
(The figures have not been audited)

	Note	CURRENT QUARTER 3 MONTHS ENDED			CUMULATIVE QUARTER 9 MONTHS ENDED		
		30.09.2023 RM'000	30.09.2022 RM'000	Changes (%)	30.09.2023 RM'000	30.09.2022 RM'000	Changes (%)
Revenue	A12	5,076	9,350	-46%	19,881	26,622	-25%
Cost of sales		(4,609)	(7,117)		(16,124)	(19,309)	
Gross Profit		467	2,233	-79%	3,757	7,313	-49%
<i>Gross profit margin (%)</i>		9%	24%		19%	27%	
Other (loss)/income		(11)	322		551	781	
Operating expenses		(3,075)	(3,928)		(9,597)	(10,278)	
Operating (loss)/profit	A13	(2,619)	(1,373)	-91%	(5,289)	(2,184)	-142%
Finance income		2	1		7	3	
Finance costs		(74)	(104)		(251)	(284)	
Share of profit/(loss) of equity- accounted associate, net of tax		(45)	(55)		(135)	(132)	
Profit/(Loss) before taxation		(2,736)	(1,531)	-79%	(5,668)	(2,597)	-118%
Income tax expenses	B6	(62)	(80)		(114)	32	
Profit/(Loss) for the period		(2,798)	(1,611)	-74%	(5,782)	(2,565)	-125%
Other comprehensive income/(expense), net of tax							
Revaluation of property		-	-		-	-	
<u>Item that may be subsequently reclassified to profit or loss:</u>							
Foreign currency translation differences for foreign operations		11	6		-	-	
Other comprehensive expense for the year, net of tax		11	6		-	-	
Total comprehensive income/(expense) for the period		(2,787)	(1,605)	-74%	(5,782)	(2,565)	-125%
Profit attributable to:							
Owners of the Company		(2,770)	(1,611)		(5,731)	(2,565)	
Non-controlling interests		(28)	-		(51)	-	
Profit for the period		(2,798)	(1,611)		(5,782)	(2,565)	
Total comprehensive income/(expense) attributable to:							
Owners of the Company		(2,759)	(1,605)		(5,731)	(2,565)	
Non-controlling interests		(28)	-		(51)	-	
Total comprehensive income/(expense) the period		(2,787)	(1,605)		(5,782)	(2,565)	
Earnings per share (sen)							
~ Basic	B12	(0.53)	(0.32)		(1.09)	(0.50)	
~ Diluted	B12	(0.53)	(0.32)		(1.09)	(0.50)	

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the Interim Financial Statements.

NI HSIN GROUP BERHAD

(Registration No.: 200401014850 (653353-W))

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 30 SEPTEMBER 2023**

(The figures have not been audited)

	Note	AS AT 30.09.2023 RM'000	AS AT 31.12.2022 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	A9	54,818	56,262
Intangible assets		169	74
Investment property		-	-
Right-of-use assets		870	1,076
Goodwill		7,527	5,633
Investment in associate		18	153
Deferred tax asset		-	-
Other investment		1,558	1,752
		<u>64,960</u>	<u>64,950</u>
Current assets			
Inventories		22,212	23,536
Receivables, deposits and prepayments		5,205	5,081
Derivative financial assets	B11	-	-
Current tax assets		553	395
Cash and cash equivalents		15,650	22,054
		<u>43,620</u>	<u>51,066</u>
TOTAL ASSETS		<u>108,580</u>	<u>116,016</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		84,428	84,428
Reserves		7,413	13,537
Equity attributable to owners of the Company		<u>91,841</u>	<u>97,965</u>
Non-controlling interest		179	230
Total equity		<u>92,020</u>	<u>98,195</u>
Non-current liabilities			
Deferred tax liability		3,563	3,479
Borrowings	B7	403	595
Redeemable Convertible Preference Shares (RCPS)		6,388	6,246
- Liability component			
Lease liabilities		557	868
		<u>10,911</u>	<u>11,188</u>
Current liabilities			
Payables and accruals		4,826	4,395
Borrowings	B7	273	1,838
Redeemable Convertible Preference Shares (RCPS)		183	160
- Liability component			
Lease liabilities		367	240
Derivative financial liabilities	B11	-	-
		<u>5,649</u>	<u>6,633</u>
Total liabilities		<u>16,560</u>	<u>17,821</u>
TOTAL EQUITY AND LIABILITIES		<u>108,580</u>	<u>116,016</u>
Net Assets per share attributable to owners of the Company (RM)		0.18	0.19

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the Interim Financial Statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

(The figures have not been audited)

	/----- Non-distributable -----						Distributable		Non-	Total
	Share	Treasury	Translation	RCPS - equity	Revaluation	Other	Retained Profits /	Total	controlling	Equity
	Capital	Shares	Reserve	component	Reserve	Reserve	(Accumulated	RM'000	Interest	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	losses)		RM'000	RM'000
At 1 January 2022	81,062	(5,549)	163	137	23,758	9,206	(7,695)	101,082	-	101,082
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	-	-	-	-
Reclassification of financial assets from fair value through other comprehensive income to fair value	-	-	-	-	-	-	-	-	-	-
Revaluation of property - change of tax rate	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income/(expense) for the period	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	(2,565)	(2,565)	-	(2,565)
Total comprehensive income/ (expense) for the period	-	-	-	-	-	-	(2,565)	(2,565)	-	(2,565)
<i>Contributions by and distributions to owners of the Company</i>										
Own shares acquired	-	(829)	-	-	-	-	-	(829)	-	(829)
Own shares sold	2,955	-	-	-	-	-	-	2,955	-	2,955
Warrant exercised	-	-	-	-	-	-	-	-	-	-
Issuance of RCPS	-	-	-	-	-	-	-	-	-	-
RCPS conversion	-	-	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiary	-	-	-	-	-	-	-	-	-	-
Total transactions with the owners of the Company	2,955	(829)	-	-	-	-	-	2,126	-	2,126
At 30 September 2022	84,017	(6,378)	163	137	23,758	9,206	(10,260)	100,643	-	100,643
At 1 January 2023	84,428	(6,783)	151	137	23,758	9,206	(12,932)	97,965	230	98,195
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	-	-	-	-
Revaluation of property	-	-	-	-	-	-	-	-	-	-
Fair value of available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income/(expense) for the period	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) for the period	-	-	-	-	-	-	(5,731)	(5,731)	(51)	(5,782)
Total comprehensive income/ (expense) for the period	-	-	-	-	-	-	(5,731)	(5,731)	(51)	(5,782)
<i>Contributions by and distributions to owners of the Company</i>										
Own shares acquired	-	(388)	-	-	-	-	-	(388)	-	(388)
Own shares sold	-	-	-	-	-	-	-	-	-	-
Issuance of RCPS	-	-	-	-	-	-	-	-	-	-
RCPS conversion	-	-	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiary	-	-	-	-	-	-	(5)	(5)	-	(5)
Total transactions with the owners of the Company	-	(388)	-	-	-	-	(5)	(393)	-	(393)
At 30 September 2023	84,428	(7,171)	151	137	23,758	9,206	(18,668)	91,841	179	92,020

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the Interim Financial Statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

(The figures have not been audited)

	9 MONTHS ENDED	
	30.09.2023	30.09.2022
	RM'000	RM'000
Cash flows from operating activities		
Profit/ (Loss) before tax	(5,668)	(2,597)
Adjustments:		
Depreciation on property, plant and equipment	2,261	2,052
Depreciation on investment property	-	-
Depreciation on right-of-use assets	206	186
Depreciation on intangible assets	74	83
Loss/(Gain) on disposal of property, plant and equipment	-	-
Loss/(Gain) on disposal of investment property	-	-
Write off of property, plant and equipment	1	4
Interest expenses	251	284
Interest income	(7)	(3)
Dividend income	(101)	(30)
Net gain on foreign exchange	(101)	(207)
Share of profit/(loss) of equity-accounted associate	135	132
(Gain)/ loss on disposal of quoted or unquoted investments	-	(26)
Net loss/ (gain) in fair value of financial instruments measured at fair value	(18)	(81)
Operating profit before changes in working capital	<u>(2,935)</u>	<u>(203)</u>
Changes in working capital:		
Decrease/(Increase) in operating assets	1,431	(2,548)
(Increase)/Decrease in operating liabilities	390	(1,081)
Cash generated from operations	<u>(1,114)</u>	<u>(3,832)</u>
Income taxes paid	(214)	(73)
Income taxes refunded	32	55
Interest paid	(60)	(69)
Interest received	7	3
Net cash generated from/(used in) operating activities	<u>(1,349)</u>	<u>(3,916)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(819)	(4,180)
Purchase of intangible assets	(169)	-
Acquisition of other investments	-	(1,400)
Acquisition of subsidiary, net of cash and cash equivalents acquired	(1,894)	-
Acquisition of non-controlling interests	-	-
Investment in associate	-	-
Proceeds from disposal of property, plant and equipment	-	18
Proceeds from disposal of investment property	-	-
Proceeds from disposal of other investments	-	263
Dividend income	101	30
Net cash generated from/(used in) investing activities	<u>(2,781)</u>	<u>(5,269)</u>
Cash flows from financing activities		
Net (repayment)/ proceeds of bankers' acceptances	(340)	244
Proceeds/(Payments) of hire purchase liabilities	(229)	41
Payments of lease liabilities	(210)	(193)
Repurchase of treasury shares	(388)	(829)
Proceeds from exercise of warrants	-	2,955
Proceeds from conversion of redeemable convertible preference shares	-	-
Proceeds from sales of treasury shares	-	-
Net cash generated from/(used in) financing activities	<u>(1,167)</u>	<u>2,218</u>
Net increase in cash and cash equivalents	(5,297)	(6,967)
Effect of exchange rate fluctuations on cash held	81	47
Cash and cash equivalents at 1 January	20,866	28,183
Cash and cash equivalents at 30 September	<u>15,650</u>	<u>21,263</u>
Cash and cash equivalent at the end of the financial period comprise the following :		
	RM'000	RM'000
Deposits with licensed bank	222	260
Bank and Cash balances	5,870	4,463
Fixed income trust fund	9,558	17,163
Bank overdraft (included within short term borrowings in Note B7)	-	(623)
	<u>15,650</u>	<u>21,263</u>

The Unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the Interim Financial Statements.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING

A1 BASIS OF PREPARATION

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and the requirements of the Companies Act 2016 in Malaysia, where applicable. This condensed consolidated interim financial statements has also been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This condensed consolidated financial statements, other than for financial instruments, freehold land and buildings, have been prepared under the historical cost convention. Certain financial instruments are carried at fair value in accordance with Malaysian Financial Reporting Standard ("MFRS") 9 Financial Instruments.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022. These explanatory notes attached to the interim 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 year ended 31 December 2022.

A2 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation applied in the unaudited condensed consolidated interim financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31 December 2022, except for the following which were adopted at the beginning of the current financial period. These pronouncements are either not relevant or do not have any material impact on the Group's financial statements for the current financial period:

(a) Adoption of the MFRS, Amendments to MFRS during the current financial period

MFRS 17, Insurance Contracts

Amendments to MFRS 17, Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101, Presentation of Financial Statements – Disclosures of Accounting Policies

Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

(b) Standards issued but not yet effective

Effective for financial periods commencing on or after 1 January 2024

Amendment to MFRS 16, Leases – Lease Liability in a Sale and Leaseback

Amendment to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current

(c) Effective date of these Amendments to Standards has been deferred, and yet to be announced

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The above pronouncements are either not relevant or do not have any material impact on the Group's financial statements.

A3 AUDITORS' REPORT ON PRECEDING FINANCIAL STATEMENTS

There was no qualification on the audited financial statements for the Company or its subsidiaries for the financial year ended 31 December 2022.

A4 SEASONAL OR CYCLICAL FACTORS

The Cookware Division's revenue is subject to seasonality due to market demand conditions. Historically, demand for the premium cookware and kitchenware generally increases in the second half of the year due mainly to the seasonal nature of consumer spending behaviour in the export markets, where the shopping seasons normally peak in the final quarter of the year during festive periods such as Christmas and New Year.

A5 CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in prior financial period that have a material effect in the current quarter and financial period ended 30 September 2023.

A6 UNUSUAL ITEMS DUE TO THE NATURE, SIZE OR INCIDENCE

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows during the current quarter and financial period ended 30 September 2023.

A7 MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates that have a material effect on the results for the current quarter and financial period ended 30 September 2023.

A8 ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

Save as disclosed below, there were no issuance and repayment of debt and equity securities, share buy-backs, share dividend, and/or share cancellation for the current quarter and financial period ended 30 September 2023.

(a) Share Buy-backs

At the Annual General Meeting of the Company held on 21 June 2023, the shareholders of the Company had renewed a mandate for the Company to purchase and/or hold up to maximum of 10% of the issued share capital of the ordinary shares of the Company as may be determined by the Directors of the Company. The mandate will expire upon the conclusion of the next Annual General Meeting.

As at 30 September 2023, the total number of shares bought back and held as treasury shares were 49,345,336 ordinary shares, representing 8.61% of the total issued share capital of the Company. The shares purchased are being held as treasury shares. None of the treasury shares were cancelled during the current quarter and financial period ended 30 September 2023.

During the financial period, the Company bought back its issued shares from the open market as follows:

Month	No. of shares purchased	Minimum price (RM)	Maximum price (RM)	Average price (RM)	Total amount paid [#] (RM)
January	1,801,000	0.120	0.130	0.125	224,704.15
February	1,303,000	0.100	0.110	0.105	136,463.88
March	300,000	0.090	0.090	0.090	27,210.60

[#] Inclusive of commission, stamp duty and other charges.

A8 ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES (CONT.)

(b) Redeemable Convertible Preference Shares (RCPS)

The Company has on 3 March 2021 issued 675,863,030 new RCPS with the issue price of RM0.01. The expiry date of the RCPS is 2 March 2026. The conversion price of the RCPS is RM0.12 per share.

A fixed preference dividend rate per annum of 3% of the RCPS issue price (during the tenure of RCPS and up to the date of conversion), shall be payable out of post cumulative taxation profits. The dividends are to be paid annually in arrears. The RCPS can be redeemed during the beginning of the 5th year after issuance until maturity at the RCPS issue price plus any accumulated undeclared dividends up to the date of redemption. The redemption shall be at the option of the holders. All remaining RCPS that are not converted or redeemed during the Tenure shall be mandatorily redeemed by our Company at the RCPS issue price plus any accumulated undeclared dividends up to the date of redemption, subject to requirement of Section 72(6) of the Companies Act 2016, currently in force and as may be amended from time to time and any re-enactment thereof.

As at 30 September 2023, 59,678,600 RCPS were converted into 59,678,600 new ordinary shares pursuant to the exercise of conversion rights of RCPS 2021/2026.

A9 PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are measured at valuation/cost less any accumulated depreciation and any accumulated impairment losses.

A10 CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations during the current quarter and financial period ended 30 September 2023, except for the following:

In January 2023, the Company's wholly-owned subsidiary, Ni Hsin EV Tech Sdn. Bhd. ("NHEVT") acquired 425,000 ordinary shares in EVSend Sdn. Bhd. ("EVS"), representing 100% equity interest in EVS for a total cash consideration of RM2,000,000. The principal activity of EVS is eco-friendly on-demand tech-enabled express logistics, and courier services. Subsequent to the acquisition, EVS becomes a wholly-owned subsidiary of NHEVT, which in turn is a wholly-owned subsidiary of the Company.

In February 2023, the Company's wholly-owned subsidiary, Ni Hsin Food & Beverages Sdn. Bhd. ("NHFB") acquired 5,000 ordinary shares in Blackbixon2go Sdn. Bhd. ("BB2GO"), representing the remaining 50% equity interest in BB2GO for a total cash consideration of RM5,000. Subsequent to the acquisition, BB2GO becomes a wholly-owned subsidiary of NHFB, which in turn is a wholly-owned subsidiary of the Company.

In February 2023, NHEVT acquired 1 ordinary shares in EV Mobility Sdn. Bhd. ("EVM"), representing the remaining 50% equity interest in EVM for a total cash consideration of RM1. Subsequent to the acquisition, EVM becomes a wholly-owned subsidiary of NHEVT, which in turn is a wholly-owned subsidiary of the Company.

A11 DIVIDEND PAID

No dividend was paid during the current quarter and financial period ended 30 September 2023.

A12 SEGMENTAL INFORMATION

The Group is principally engaged in the design, manufacture and sale of stainless steel kitchenware, cookware, research and development stainless steel products, food & beverages business and logistics services. The segmental results of the Group for the financial period under review are as follows:

RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
Segment Revenue				
Revenue from:				
Cookware	1,052	4,417	6,228	10,508
Stainless steel products	2,872	4,594	10,227	15,770
Food and beverages	1,184	877	3,216	1,507
Logistics	474	1,183	1,555	4,055
Electric vehicles (EV)	15	-	721	-
Others	44	7	101	30
Total revenue including inter-segment sales	5,641	11,078	22,048	31,870
Elimination of inter-segment sales	(565)	(1,728)	(2,167)	(5,248)
Total	5,076	9,350	19,881	26,622
Results from:				
Cookware	(785)	299	(818)	320
Stainless steel products	(656)	60	(837)	1,860
Food and beverages	(674)	(1,533)	(2,260)	(3,274)
Logistics	(95)	(48)	(173)	(125)
Electric vehicles (EV)	(720)	(57)	(1,599)	(79)
Others	66	98	1,487	290
	(2,864)	(1,181)	(4,200)	(1,008)
Elimination of inter-segment results	112	54	(844)	(382)
Total result	(2,753)	(1,127)	(5,044)	(1,390)
Unallocated corporate income/(expenses)	134	(245)	(246)	(793)
Finance income	2	-	7	2
Finance costs	(74)	(104)	(251)	(284)
Share of profit/(loss) of equity-accounted associate	(45)	(55)	(135)	(132)
Income tax expense	(62)	(80)	(114)	32
Loss for the period	(2,798)	(1,611)	(5,782)	(2,565)

Segment Assets

The total of segment assets is measured based on all assets excluding deferred tax assets, cash and short term deposits.

	As at 30.09.2023	As at 31.12.2022
	RM'000	RM'000
Cookware	55,931	62,167
Stainless steel products	19,600	24,949
Food and beverages	10,032	6,306
Logistics	1,224	1,669
Electric vehicles (EV)	5,883	4,596
Others	14,327	16,844
	106,997	116,531
Elimination of inter-segment assets	(14,619)	(14,444)
Total segment assets	92,378	102,087
Unallocated corporate assets	16,202	13,929
Total assets	108,580	116,016

A12 SEGMENTAL INFORMATION (CONT.)**Segment Liabilities**

The total of segment liabilities is measured based on all assets excluding deferred tax liabilities, provision for taxation and bank borrowings.

	As at 30.09.2023	As at 31.12.2022
	RM'000	RM'000
Cookware	3,153	6,806
Stainless steel products	2,608	3,907
Food and beverages	21,241	20,276
Logistics	933	1,144
Electric vehicles (EV)	5,097	2,192
Others	6,873	6,699
	<u>39,905</u>	<u>41,024</u>
Elimination of inter-segment liabilities	(26,908)	(26,707)
Total segment liabilities	<u>12,997</u>	<u>14,317</u>
Unallocated corporate liabilities	3,563	3,504
Total liabilities	<u><u>16,560</u></u>	<u><u>17,821</u></u>

A13 OPERATING PROFIT/(LOSS)

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Operating profit/(loss) is arrived at after charging and (crediting):				
Finance income	(2)	(1)	(7)	(3)
Other income including investment income	-	-	-	-
Rental income	-	-	-	-
Depreciation on property, plant and equipment	738	759	2,261	2,052
Depreciation on investment property	-	-	-	-
Depreciation on intangible assets	18	27	74	83
Depreciation on right-of-use assets	69	69	206	186
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	32	-	32	-
Provision for and write off of property, plant and equipment	1	1	1	4
(Gain)/ loss on disposal of quoted or unquoted investments	1	(25)	1	(26)
(Gain)/ loss on disposal of property, plant and equipment	-	-	-	-
(Gain)/ loss on disposal of investment property	-	-	-	-
Impairment of assets	-	-	-	-
Net (gain)/ loss on foreign exchange - unrealised	138	25	(101)	(207)
Net (gain)/ loss on foreign exchange - realised	(151)	(236)	(373)	(393)
Net (gain)/loss in fair value of financial instruments measured at fair value	(51)	(30)	(18)	(81)
Share-based payments	-	-	-	-
Net (gain)/ loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-

A14 FINANCE COSTS

	Current Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Bank overdrafts	3	24	35	48
Bankers' acceptances	-	9	-	21
Hire purchases	7	8	25	26
Lease liabilities	8	10	26	28
RCPS	56	53	165	161
	<u>74</u>	<u>104</u>	<u>251</u>	<u>284</u>

A15 SUBSEQUENT EVENTS

There were no material events subsequent to the end of the quarter that have not been reflected in the financial statements for the financial period under review.

A16 CONTINGENT ASSETS AND LIABILITIES

Save as disclosed below, the Company is not aware of any other contingent liabilities as at 30 September 2023:

	30.09.2023
	RM'000
- Corporate guarantee given by the Company to licensed banks for credit facilities granted to subsidiaries	26,140
	<u>26,140</u>

A17 CAPITAL COMMITMENT

Capital commitments not provided for in the financial statements as at 30 September 2023 are as follows:

	30.09.2023
	RM'000
Approved and contracted for	
- Plant & Machineries	24
	<u>24</u>

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PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1 OPERATING SEGMENTS REVIEW

Quarter Ended 30 September 2023 ("Q3 2023") vs Quarter Ended 30 September 2022 ("Q3 2022")

The Group's revenue and Loss Before Taxation ("LBT") were approximately RM5.08 million and RM2.74 million respectively for Q3 2023. Revenue in Q3 2023 was lower by 45.71% as compared with the revenue in Q3 2022 mainly due to lower of sales in cookware and logistics services. The Group's gross profit ("GP") margin for Q3 2023 decreased to 9.20% compared with the GP margin of 23.88% achieved in Q3 2022. The Group incurred other loss in Q3 2023 of RM0.01 million compared to other income of RM0.32 million in Q3 2022 due to unfavorable foreign exchange impact. Operating expenses in Q3 2023 was lower as compared with Q3 2022 at RM3.01 million. The Group recorded a LBT of RM2.74 million in Q3 2023 as compared to RM1.53 million in Q3 2022 as a result of lower sales performance. The Loss After Taxation ("LAT") in Q3 2023 was RM2.80 million versus LAT of RM1.61 million recorded in Q3 2022.

9 Months Period Ended 30 September 2023 ("9M2023") vs 9 Months Period Ended 30 September 2022 ("9M2022")

The Group's performance by each Division (after the elimination of inter-segment sales) for the financial period is as follows:

(i) Cookware Division

The Cookware Division's revenue for 9M2023 decreased by RM4.02 million or 42.0% to RM5.55 million compared with the revenue achieved in 9M2022 of RM9.57 million as sales to all regions except for Europe decreased by RM4.06 million. However, the sales to Europe increased by RM0.01 million. The cookware revenue by geographical market for 9M2023 is as follows:

	9 MONTHS ENDED		Increase/ (Decrease)	%
	30.09.2023	30.09.2022		
	RM'000	RM'000	RM'000	
Japan	2,700	5,027	-2,327	-46.3%
Asia Pacific (excluding Japan)	2,354	3,617	-1,263	-34.9%
USA & Canada	325	798	-473	-59.3%
Europe	173	132	41	31.1%
	<u>5,552</u>	<u>9,574</u>	<u>-4,022</u>	<u>-42.0%</u>

(ii) Stainless Steel Products Division

The Stainless Steel Products Division's revenue for 9M2023 decreased by RM3.00 million or 24.8% to RM9.12 million compared with the revenue achieved in 9M2022 of RM12.12 million due to lower sales to Thailand, Japan and Europe. Sales was affected by the change in tariffs of clad metals by the customs department of Thailand resulting in the imposition of taxes on clad metals imported into the country which were previously exempted. Whereas in Europe, sales were adversely affected by stiff competition.

(iii) Food and Beverages Division

The Food and Beverages Division's revenue for 9M2023 improved to RM3.04 million as compared to RM1.14 million in 9M2022 as sales picked up for the Blackbixon Café and Restaurant which commenced business in end July 2022.

(iv) Logistics Services

The Logistics Division's revenue for 9M2023 was RM1.35 million as compared to RM3.76 million in 9M2022. The Division generated a lower revenue for the period as supply chains normalise, alleviating some pressure on demand.

(v) Electric Vehicles (EV) Division

The EV Division's revenue for 9M2023 was RM0.72 million having just started operations in January 2023.

The Group's net assets per share as at 30 September 2023 stood at RM0.18. The Group's non-current assets is consistent, ie RM64.96 million compared with the non-current assets of RM64.95 million as at 31 December 2022 due to recognition of goodwill and increase in intangible assets of RM1.89 million and RM0.17 million respectively. Inventories decreased to RM22.21 million as at 30 September 2023 due to reduction of inventories level in Cookware Division and Stainless Steel Products Division. Receivables, deposits and prepayments recorded an increase of RM0.13 million to RM5.21 million as compared to that in 31 December 2022. The Group's net current assets was RM37.97 million as at 30 September 2023. The Group is in a positive net cash position as at 30 September 2023 with cash and cash equivalent of RM14.97 million after deducting all borrowings of the Group.

B1 OPERATING SEGMENTS REVIEW (CONT.)

9 Months Period Ended 30 September 2023 ("9M2023") vs 9 Months Period Ended 30 September 2022 ("9M2022") (Cont.)

The Group's net operating cash outflow for 9M2023 was RM1.35 million. The net cash outflow from investing activities was RM2.78 million, being investment in an equity interest of a subsidiary and purchase of plant and equipment. Net cash outflow from financing activities was RM1.17 million, mainly attributable to the cost of repurchase of treasury shares and repayment of bank borrowings. The net resultant impact to the Group's cash flow was a decrease in cash of RM5.30 million during 9M2023. Net cash and cash equivalents amounted to RM15.65 million as at 30 September 2023.

B2 COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	3 months ended 30.09.2023	3 months ended 30.06.2023	Changes %
Revenue	RM'000 5,076	RM'000 8,148	-38%
Gross profit ("GP")	467	1,352	-65%
Operating (loss)/profit	(2,619)	(1,610)	63%
(Loss)/Profit before taxation ("LBT)/PBT")	(2,736)	(1,752)	-56%
(Loss)/Profit for the period	(2,798)	(1,745)	60%
(Loss)/Profit attributable to the owners of the Company	(2,770)	(1,714)	62%

The Group's revenue in Q3 2023 was lower by RM3.07 million compared with Q2 2023. Consistently, the Group GP was lower in Q3 2023. The Group recorded a Loss Before Taxation ("LBT") of RM2.74 million in the third quarter of 2023 as compared to LBT of RM1.75 million in the immediate preceding quarter.

B3 COMMENTARY ON PROSPECT

The global economy is expected to grow at a slower pace in 2024. The impact from tight monetary policy is expected to intensify in subsequent quarters, before dissipating towards 2H 2024. Global inflation would likely moderate further, with commodity prices posing a clear upside risk. Global trade recovery is likely to be gradual given persistent headwinds from trade restrictions and ongoing shift in consumption from goods to services.

Going forward, growth of the Malaysian economy will be driven largely by resilient domestic expenditure, with some support from E&E exports recovery. Budget 2024 measures will also provide additional impetus to economic activity. Meanwhile, domestic financial conditions remain conducive to sustain credit growth, as financial institutions continue to operate with strong capital and liquidity buffers.

In line with expectations, headline and core inflation have continued to ease through the year amid the more moderate cost conditions. This would likely continue for the remainder of 2023 amid moderate momentum of price increases. Overall, headline inflation is expected to average between 2.5% and 3.0% in 2023. Moving into 2024, headline and core inflation are projected to remain modest barring further cost shocks. However, risks to the inflation outlook remain highly subject to changes to domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments. The Government's intention to review price controls and subsidies in 2024 will affect the outlook for inflation and demand conditions. (Source: Bank Negara Malaysia)

In respect of the Cookware and Stainless Steel Products Divisions, marketing efforts in the China market has begun to yield positive results. The Group is in negotiations with the customer in Thailand to supply semi-finished goods to them instead of clad metal as semi-finished goods are not subject to the tariffs imposed on the clad metal.

The Group's EV Division has made good progress in terms of promoting the transition from ICE two-wheelers to EV two-wheelers in support of reducing carbon emissions, creating green economy and achieving sustainability. The Group has received very encouraging interests and feedback from engagements with various government departments and agencies as well as corporate entities on the use of EV two-wheelers in security, surveillance, enforcement as well as operational functions. The Group's EV unit, Ni Hsin EV Tech Sdn Bhd, had on 14 November 2023 signed a Collaboration Agreement with Permodalan Darul Ta'zim Sdn Bhd, a wholly-owned company of the Johor State Government, to promote the usage of and market environmentally friendly EV 2-wheelers in the State of Johor at the Asia-Pacific Climate Week 2023 (APCW 2023) Conference organised by the United Nations Framework Convention on Climate Change and hosted by the Johor State Government. Johor is considering a "green lane" scheme at its customs exclusively for electric motorcycles crossing between Malaysia and Singapore. This will boost the transition from ICE two-wheelers to EV two-wheelers in Johor.

B3 COMMENTARY ON PROSPECT (CONT.)

Business at the Blackbixon Café business has been brisk and gaining popularity on social media with its innovative and fresh menu. The Group is opening another outlet in Petaling Jaya by the end of the financial year with plans afoot for several more outlets in the Klang Valley within the next couple of years.

B4 STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The total proceeds from the public issue of RCPS amounted to RM6,759,000 has been fully utilised.

B5 VARIANCES FROM PROFIT FORECAST OR PROFIT GUARANTEE

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interests and forecast profit after tax and non-controlling interests and for the shortfall in profit guarantee are not applicable.

B6 TAXATION

	Current Quarter 3 months ended 30.09.2023 RM'000	Cumulative Quarter 9 months ended 30.09.2023 RM'000
In respect of the current period		
- Malaysian tax	-	-
- Deferred tax	1	77
	<u>1</u>	<u>77</u>
In respect of the prior year		
- Malaysian tax	39	39
- Deferred tax	22	(2)
	<u>61</u>	<u>37</u>
	<u>62</u>	<u>114</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the year.

The effective tax rate of the Group is lower than the statutory tax rate mainly due to the net gain in fair value of investment in quoted shares measured at fair value by the Company is not subject to income tax. Moreover, the losses of subsidiaries which cannot be set off against taxable profit made by other subsidiaries, and certain expenses which are not deductible for tax purposes.

B7 GROUP BORROWINGS AND DEBT SECURITIES

Save as disclosed below, there were no other borrowings or debt securities in the Group as at 30 September 2023:

	As at 30.09.2023 RM'000	As at 31.12.2022 RM'000
Non-current:		
Hire purchase liabilities	403	595
Current:		
Bank overdraft - unsecured	-	1,188
Bankers' acceptance - unsecured	-	340
Hire purchase liabilities	273	310
	<u>273</u>	<u>1,838</u>
	<u>676</u>	<u>2,433</u>

All borrowings are denominated in Malaysia Ringgit.

B8 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

As at 30 September 2023, the Group does not have any financial liabilities measured at fair value through profit or loss.

B9 CHANGES IN MATERIAL LITIGATION

The Group is not engaged in any material litigation and the Directors do not have any knowledge of any material proceeding pending or threatened against the Group.

B10 STATUS OF CORPORATE PROPOSALS

- (1) Update on the status of Memorandum of Understanding ("MOU") entered into between Acasia Communications Sdn. Bhd. ("ACASIA") and BlackBixon2Go Sdn. Bhd. ("BB2GO"), a wholly owned subsidiary of Ni Hsin Food & Beverages Sdn. Bhd., which in turn a wholly owned subsidiary of the Company

On 12 December 2021, BB2GO entered into a Memorandum of Understanding with ACASIA with the intention to enter into a collaboration and explore business opportunities related to BB2GO business concept, carrier services, Information and Communications Technology (ICT) solution and connectivity through mobile services by positioning ACASIA as technology partner including any technology exploration services.

On 5 September 2023, the Parties have mutually agreed to terminate the MOU as there were changes in business model and business direction. Upon the termination of MOU, neither party shall have any claim against the other. The termination of MOU will not have any material financial effect to the Group.

- (2) Update on the status of Memorandum of Agreement ("MOA") entered into between PT Winn Pratama Indonesia ("PT Winn") and Ni Hsin EV Tech Sdn. Bhd. ("NH EV TECH"), a wholly owned subsidiary of the Company

On 22 November 2022, NH EV TECH entered into a MOA with PT Winn with the intention of entering into a cooperation with PT WINN to jointly set up a joint venture company for the purpose of selling, distributing, assembling, and production of TAILG EBIXON EV Motorcycles and related accessories and infrastructures exclusively in Indonesia.

On 21 November 2023, the Parties have no intention to extend the duration of MOA as there were no further developments in the areas of collaboration. The MOA had expired and lapsed on 21 November 2023.

- (3) Update on the status of MOA entered into between MIMOS Berhad ("MIMOS") and NH EV TECH, a wholly owned subsidiary of the Company

On 22 November 2022, NH EV TECH entered into a MOA with MIMOS with the intention of collaborating with each other for the development of EV motorcycle and other related solutions.

On 21 November 2023, the Parties have no intention to extend the duration of MOA as there were no further developments in the areas of collaboration. The MOA had expired and lapsed on 21 November 2023.

- (4) Update on the status of Strategic Collaboration ("SC") entered into between SIRIM Berhad ("SIRIM") and NH EV TECH, a wholly owned subsidiary of the Company

On 15 December 2022, NH EV TECH entered into a SC with SIRIM with the intention to co-operate with one another to set up a Lithium-Ion Battery Recycling Plant in Malaysia.

- (5) Update on the status of Letter of Intent ("LOI") entered into between Universiti Teknikal MARA Sdn. Bhd. ("UniKL") and NH EV TECH, a wholly owned subsidiary of the Company

On 16 July 2023, NH EV TECH entered into a LOI with UniKL with the intention to explore various potentials between the Parties within any field related to the electric motorcycle industry that will benefit the Parties.

B10 STATUS OF CORPORATE PROPOSALS (CONT.)

- (6) Update on the status of MOU entered into between Vmoto Limited ("VMOTO") and NH EV TECH, a wholly owned subsidiary of the Company

On 24 July 2023, NH EV TECH entered into a MOU with VMOTO with the intention to enter into a strategic business cooperation for NH EV TECH to assemble, promote and distribute VMOTO high powered EV motorcycles branded F01, CPX Pro and TC Max models through Business-to-Consumer (B2C) sales, Business-to-Business (B2B) and Business to Government (B2G) marketing channels in Malaysia.

On 18 September 2023 NHEVT entered into an Exclusive Assembly and Distribution Agreement ("EADA") with Nanjing Vmoto Manufacturing Co, Ltd ("VMOTO"), a wholly-owned subsidiary of VMOTO Limited (NH EV TECH and VMOTO are collectively referred to as the "Parties" and individually as the "Party") for the exclusive rights to assemble, stock, advertise, rent/leasing and distribute VMOTO electric motorcycles model CPX-Pro and TC-Max in Malaysia, subject to and upon the terms and conditions of the EADA. Upon the Signing of EADA, the Parties mutually agree that the MOU shall be of no further force and effect.

- (7) MOU entered into between Permodalan Darul Ta'zim Sdn. Bhd. ("PDT") and NH EV TECH, a wholly owned subsidiary of the Company

On 14 November 2023, NH EV TECH entered into a Collaboration Agreement ("CA") with Permodalan Darul Ta'zim Sdn. Bhd., a wholly-owned company of the Johor State Government, to collaborate and cooperate with each other to promote the usage of and market environmentally friendly electric vehicle 2-wheelers in the State of Johor, subject to and upon the terms and conditions of the CA.

(hereinafter collectively referred to as "MOUs")

As at the date of this report, all the MOUs are still ongoing except for (1), (2), (3) and (6).

- (8) Business Partnership Agreement ("BPA") entered into between Koperasi Tenaga Dan Petroleum Berhad ("KTP") and NH EV TECH, a wholly owned subsidiary of the Company

On 9 June 2023, NH EV TECH entered into a BPA with KTP with the intention to work together and form a partnership to promote, market and distribute TAILG EBIXON EV motorcycles and related products, subject to and upon the terms and conditions of the BPA.

- (9) Business Partnership Agreement ("BPA") entered into between ACASIA and NH EV TECH, a wholly owned subsidiary of the Company

On 20 June 2023, NH EV TECH entered into a BPA with ACASIA with the intention to work together and form a partnership to promote, market and distribute TAILG EBIXON EV motorcycles and related products, subject to and upon the terms and conditions of the BPA.

- (10) Corporate Agent Agreement ("CAA") entered into between Boustead Technology Sdn. Bhd. ("BOUSTECH") and NH EV TECH, a wholly owned subsidiary of the Company

On 10 July 2023, NH EV TECH entered into a CCA with BOUSTECH with the intention to work together where NH EV TECH wishes to appoint BOUSTECH as its agent and BOUSTECH accepts the appointment as the agent of NH EV TECH to promote and market all kinds of electric vehicles and accessories including EBIXON EV motorcycles exclusively within internal workforce of Boustead group of companies, subject to and upon the terms of conditions of the CAA.

- (11) Business Collaboration Agreement ("BCA") entered into between Delivery Hero Malaysia Sdn. Bhd. ("FOODPANDA") and NH EV TECH, a wholly owned subsidiary of the Company

On 1 August 2023, NH EV TECH entered into a BCA with FOODPANDA with the intention to collaborate in advancing the Parties' Environmental, Social and Governance agendas through jointly promoting and encouraging sustainable consumption among the riders within FOODPANDA Group by adopting EBIXON EV motorcycles in place of current internal combustion engine motorcycles.

B10 STATUS OF CORPORATE PROPOSALS (CONT.)

- (12) Business Partnership Agreement ("BPA") entered into between UTM Holdings Sdn. Bhd. and NH EV TECH, a wholly owned subsidiary of the Company

On 18 August 2023, NH EV TECH entered into a BPA with UTM Holdings Sdn. Bhd. with the intention to work together and form a partnership to promote, market, and sell EBIXON EV motorcycles and related products to Universiti Teknologi Malaysia ("UTM" or the "University") Community including but not limited to the University's staff and students, UTM Holdings Group of Companies, and its related departments, agencies, institutions, and surrounding community and to promote awareness and education on reducing carbon emissions and provide technical training to the students of UTM Group via an internship program at NH EV TECH's manufacturing and assembly facility.

- (13) Collaboration Cum Donation Agreement ("CDA") entered into between Universiti Sains Malaysia ("USM"), Focus Applied Technologies Sdn. Bhd. ("FOCUS"), Dongguan Tailing Electric Vehicle Co., Ltd. ("TAILG") and NH EV TECH, a wholly owned subsidiary of the Company

On 16 October 2023, NH EV TECH entered into a CDA with USMFOCUS and TAILG (NH EV TECH, USM, FOCUS and TAILG are collectively referred to as the "Parties" and individually as the "Party") to collaborate and explore opportunities to develop, support and enrich the research activities, educational programmes and trainings in their respective fields of expertise, thus creating synergistic benefits to all Parties with the following aims, subject to and upon the terms and conditions of the CDA:-

- Assist Malaysia to promote electric mobility, particularly two (2) and three (3) wheelers; and
- Demonstrate the viability of existing electric two (2) wheelers to perform significant useful work in the Malaysian transportation environment.

B11 FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and foreign exchange risk arise in the normal course of the Group's business. Derivative financial instruments may be used to hedge exposure to fluctuations in foreign exchange rates and interest rates.

The relevant accounting policies and the effects of the adoption of new accounting policies are disclosed in Note A1 Basis of Preparation. There were no off-balance sheet financial instruments as at the reporting date.

Outstanding derivatives

The Group had not entered into any new type of derivatives in the current interim quarter that was not disclosed in the preceding year's annual financial statements. As at 30 September 2023, the Group does not have any outstanding derivative financial instruments.

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

There is no credit and market risk as no forward contracts are executed with a creditworthy financial institution.

B12 EARNINGS PER SHARE ("EPS")

(a) Basic

Basic EPS is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period after accounting for the share buy-backs and reissue of treasury shares.

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Basic EPS				
(Loss)/Profit attributable to owners of the Company (RM '000)	(2,770)	(1,611)	(5,731)	(2,565)
Weighted average no. of ordinary shares in issue ('000)	523,796	509,355	523,796	509,355
Basic EPS (sen)	<u>(0.53)</u>	<u>(0.32)</u>	<u>(1.09)</u>	<u>(0.50)</u>

(b) Diluted

As at 30 September 2023, the effects of warrants and RCPS on issue are anti-dilutive.

B13 DIVIDEND

No interim dividend has been recommended for the current quarter.

B14 AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 November 2023.

On behalf of the Board of Directors
NI HSIN GROUP BERHAD

SOFIYAN BIN YAHYA
Independent Non-Executive Chairman

Date: 30 November 2023