



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

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 MARCH 2024

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**
(The figures have not been audited)

| | Note | CURRENT QUARTER 3 MONTHS ENDED | | | CUMULATIVE QUARTER 3 MONTHS ENDED | | |
|--|------|-----------------------------------|----------------------|----------------|--------------------------------------|----------------------|----------------|
| | | 31.03.2024 RM'000 | 31.03.2023 RM'000 | Changes (%) | 31.03.2024 RM'000 | 31.03.2023 RM'000 | Changes (%) |
| Revenue | A12 | 7,053 | 6,657 | 6% | 7,053 | 6,657 | 6% |
| Cost of sales | | (5,040) | (4,719) | | (5,040) | (4,719) | |
| Gross Profit | | 2,013 | 1,938 | 4% | 2,013 | 1,938 | 4% |
| <i>Gross profit margin (%)</i> | | <i>29%</i> | <i>29%</i> | | <i>29%</i> | <i>29%</i> | |
| Other (loss)/income | | 260 | 323 | | 260 | 323 | |
| Operating expenses | | (3,655) | (3,321) | | (3,655) | (3,321) | |
| Operating (loss)/profit | A13 | (1,382) | (1,060) | -30% | (1,382) | (1,060) | -30% |
| Finance income | | 1 | 3 | | 1 | 3 | |
| Finance costs | | (100) | (78) | | (100) | (78) | |
| Share of profit/(loss) of equity- accounted associate, net of tax | | - | (45) | | - | (45) | |
| Profit/(Loss) before taxation | | (1,481) | (1,180) | -26% | (1,481) | (1,180) | -26% |
| Income tax expenses | B6 | (17) | (59) | | (17) | (59) | |
| Profit/(Loss) for the period | | (1,498) | (1,239) | -21% | (1,498) | (1,239) | -21% |
| 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 | | 3 | (5) | | 3 | (5) | |
| Other comprehensive expense for the year, net of tax | | 3 | (5) | | 3 | (5) | |
| Total comprehensive income/(expense) for the period | | (1,495) | (1,244) | -20% | (1,495) | (1,244) | -20% |
| Profit attributable to: | | | | | | | |
| Owners of the Company | | (1,504) | (1,247) | | (1,504) | (1,247) | |
| Non-controlling interests | | 6 | 8 | | 6 | 8 | |
| Profit for the period | | (1,498) | (1,239) | | (1,498) | (1,239) | |
| Total comprehensive income/(expense) attributable to: | | | | | | | |
| Owners of the Company | | (1,501) | (1,252) | | (1,501) | (1,252) | |
| Non-controlling interests | | 6 | 8 | | 6 | 8 | |
| Total comprehensive income/(expense) the period | | (1,495) | (1,244) | | (1,495) | (1,244) | |
| Earnings per share (sen) | | | | | | | |
| ~ Basic | B12 | (0.29) | (0.24) | | (0.29) | (0.24) | |
| ~ Diluted | B12 | (0.29) | (0.24) | | (0.29) | (0.24) | |

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 2023 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 31 MARCH 2024**

(The figures have not been audited)

| | Note | AS AT 31.03.2024 RM'000 | AS AT 31.12.2023 RM'000 (Audited) |
|--|------|-------------------------------|--|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | A9 | 55,924 | 55,995 |
| Intangible assets | | 126 | 169 |
| Investment property | | - | - |
| Right-of-use assets | | 2,050 | 2,250 |
| Goodwill | | 7,527 | 7,527 |
| Investment in associate | | - | - |
| Deferred tax asset | | 75 | 75 |
| Other investment | | 650 | 1,558 |
| | | <u>66,352</u> | <u>67,574</u> |
| Current assets | | | |
| Inventories | | 21,641 | 20,588 |
| Receivables, deposits and prepayments | | 5,773 | 3,574 |
| Derivative financial assets | B11 | - | - |
| Current tax assets | | 536 | 589 |
| Cash and cash equivalents | | 13,193 | 15,143 |
| | | <u>41,143</u> | <u>39,894</u> |
| TOTAL ASSETS | | <u>107,495</u> | <u>107,468</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 84,428 | 84,428 |
| Reserves | | 4,309 | 5,810 |
| Equity attributable to owners of the Company | | <u>88,737</u> | <u>90,238</u> |
| Non-controlling interest | | 127 | 121 |
| Total equity | | <u>88,864</u> | <u>90,359</u> |
| Non-current liabilities | | | |
| Deferred tax liability | | 3,357 | 3,339 |
| Borrowings | B7 | 238 | 332 |
| Redeemable Convertible Preference Shares (RCPS) | | | |
| - Liability component | | 6,522 | 6,466 |
| Lease liabilities | | 1,688 | 1,993 |
| | | <u>11,805</u> | <u>12,130</u> |
| Current liabilities | | | |
| Payables and accruals | | 5,993 | 4,238 |
| Borrowings | B7 | 245 | 263 |
| Redeemable Convertible Preference Shares (RCPS) | | | |
| - Liability component | | 160 | 160 |
| Lease liabilities | | 428 | 318 |
| Derivative financial liabilities | B11 | - | - |
| | | <u>6,826</u> | <u>4,979</u> |
| Total liabilities | | <u>18,631</u> | <u>17,109</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>107,495</u> | <u>107,468</u> |
| Net Assets per share attributable to owners of the Company (RM) | | 0.17 | 0.17 |

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 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 CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

(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 |
| | | | | | | | RM'000 | | | |
| 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 | - | - | (5) | - | - | - | - | (5) | - | (5) |
| 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 | - | - | (5) | - | - | - | - | (5) | - | (5) |
| Profit for the period | - | - | - | - | - | - | (1,247) | (1,247) | 8 | (1,239) |
| Total comprehensive income/ (expense) for the period | - | - | (5) | - | - | - | (1,247) | (1,252) | 8 | (1,244) |
| <i>Contributions by and distributions to owners of the Company</i> | | | | | | | | | | |
| Own shares acquired | - | (388) | - | - | - | - | - | (388) | - | (388) |
| Own shares sold | - | - | - | - | - | - | - | - | - | - |
| Warrant exercised | - | - | - | - | - | - | - | - | - | - |
| 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 31 March 2023 | 84,428 | (7,171) | 146 | 137 | 23,758 | 9,206 | (14,184) | 96,320 | 238 | 96,558 |
| At 1 January 2024 | 84,428 | (7,171) | 157 | 137 | 23,758 | 9,206 | (20,277) | 90,238 | 121 | 90,359 |
| Foreign currency translation differences for foreign operations | - | - | 3 | - | - | - | - | 3 | - | 3 |
| Revaluation of property | - | - | - | - | - | - | - | - | - | - |
| Fair value of available-for-sale financial assets | - | - | - | - | - | - | - | - | - | - |
| Total other comprehensive income/(expense) for the period | - | - | 3 | - | - | - | - | 3 | - | 3 |
| Profit/(Loss) for the period | - | - | - | - | - | - | (1,504) | (1,504) | 6 | (1,498) |
| Total comprehensive income/ (expense) for the period | - | - | 3 | - | - | - | (1,504) | (1,501) | 6 | (1,495) |
| <i>Contributions by and distributions to owners of the Company</i> | | | | | | | | | | |
| Own shares acquired | - | - | - | - | - | - | - | - | - | - |
| Own shares sold | - | - | - | - | - | - | - | - | - | - |
| Issuance of RCPS | - | - | - | - | - | - | - | - | - | - |
| RCPS conversion | - | - | - | - | - | - | - | - | - | - |
| Changes in ownership interests in subsidiary | - | - | - | - | - | - | - | - | - | - |
| Total transactions with the owners of the Company | - | - | - | - | - | - | - | - | - | - |
| At 31 March 2024 | 84,428 | (7,171) | 160 | 137 | 23,758 | 9,206 | (21,781) | 88,737 | 127 | 88,864 |

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 2023 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 31 MARCH 2024**

(The figures have not been audited)

| | 3 MONTHS ENDED | |
|--|-----------------------|-------------------|
| | 31.03.2024 | 31.03.2023 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Profit/ (Loss) before tax | (1,481) | (1,180) |
| Adjustments: | | |
| Depreciation on property, plant and equipment | 719 | 785 |
| Depreciation on investment property | - | - |
| Depreciation on right-of-use assets | 126 | 69 |
| Depreciation on intangible assets | - | 28 |
| Loss/(Gain) on disposal of property, plant and equipment | 91 | - |
| Loss/(Gain) on termination of lease arrangement | (11) | - |
| Write off of property, plant and equipment | - | - |
| Write-down of inventories | - | - |
| Provision for and write off of receivables | 4 | - |
| Interest expenses | 100 | 78 |
| Interest income | (1) | (3) |
| Dividend income | (15) | (7) |
| Net gain on foreign exchange | 122 | (49) |
| Share of profit/(loss) of equity-accounted associate | - | 45 |
| (Gain)/ loss on disposal of quoted or unquoted investments | - | - |
| Net loss/ (gain) in fair value of financial instruments measured at fair value | (119) | (90) |
| Operating profit before changes in working capital | <u>(465)</u> | <u>(324)</u> |
| Changes in working capital: | | |
| Decrease/(Increase) in operating assets | (3,315) | (747) |
| (Increase)/Decrease in operating liabilities | 1,804 | 452 |
| Cash generated from operations | <u>(1,976)</u> | <u>(619)</u> |
| Income taxes paid | (47) | (69) |
| Income taxes refunded | 100 | - |
| Interest paid | (44) | (33) |
| Interest received | 1 | 3 |
| Net cash generated from/(used in) operating activities | <u>(1,966)</u> | <u>(718)</u> |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (978) | (162) |
| Purchase of intangible assets | - | (169) |
| Acquisition of other investments | - | - |
| 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 | 239 | - |
| Proceeds from disposal of investment property | - | - |
| Proceeds from disposal of other investments | 1,024 | - |
| Dividend income | 15 | 7 |
| Net cash generated from/(used in) investing activities | <u>300</u> | <u>(2,218)</u> |
| Cash flows from financing activities | | |
| Net (repayment)/ proceeds of bankers' acceptances | - | (340) |
| Proceeds/(Payments) of hire purchase liabilities | (153) | (76) |
| Payments of lease liabilities | (108) | (70) |
| Repurchase of treasury shares | - | (388) |
| Proceeds from exercise of warrants | - | - |
| Proceeds from conversion of redeemable convertible preference shares | - | - |
| Proceeds from sales of treasury shares | - | - |
| Net cash generated from/(used in) financing activities | <u>(261)</u> | <u>(874)</u> |
| Net increase in cash and cash equivalents | (1,927) | (3,810) |
| Effect of exchange rate fluctuations on cash held | (64) | 13 |
| Cash and cash equivalents at 1 January | 15,143 | 20,866 |
| Cash and cash equivalents at 31 March | <u>13,152</u> | <u>17,069</u> |
| Cash and cash equivalent at the end of the financial period comprise the following : | | |
| | RM'000 | RM'000 |
| Deposits with licensed bank | 831 | 219 |
| Bank and Cash balances | 4,674 | 5,306 |
| Fixed income trust fund | 7,688 | 12,364 |
| Bank overdraft (included within short term borrowings in Note B7) | (41) | (820) |
| | <u>13,152</u> | <u>17,069</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 2023 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 31 MARCH 2024**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 2023. 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 2023.

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 2023, 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

Amendments to MFRS 16 Leases - Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 Presentation of Financial Statements - Non-current Liabilities with Covenants

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments:

Disclosure - Supplier Finance Arrangements

(b) Standards issued but not yet effective

Effective for financial periods commencing on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

(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 period ended 31 March 2024.

A4 SEASONAL OR CYCLICAL FACTORS

The Group's operation was not affected by seasonal or cyclical factors in the current quarter.

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 31 March 2024.

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 31 March 2024.

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 year period 31 March 2024.

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 31 March 2024.

(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 31 March 2024, 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 31 March 2024.

During the financial period, the Company did not buy back its issued shares from the open market.

(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 31 March 2024, 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 31 March 2024.

A11 DIVIDEND PAID

No dividend was paid during the current quarter and financial period ended 31 March 2024.

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, logistics services and manufacture and sale of electric vehicles. The segmental results of the Group for the financial period under review are as follows:

RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

| | Current Quarter 3 months ended | | Cumulative Quarter 3 months ended | |
|--|-----------------------------------|----------------------|--------------------------------------|----------------------|
| | 31.03.2024 RM'000 | 31.03.2023 RM'000 | 31.03.2024 RM'000 | 31.03.2023 RM'000 |
| Segment Revenue | | | | |
| Revenue from: | | | | |
| Cookware | 2,494 | 1,938 | 2,494 | 1,938 |
| Stainless steel products | 2,946 | 3,681 | 2,946 | 3,681 |
| Food and beverages | 1,560 | 1,022 | 1,560 | 1,022 |
| Logistics | 594 | 614 | 594 | 614 |
| Electric vehicles (EV) | 753 | 362 | 753 | 362 |
| Others | 15 | 7 | 15 | 7 |
| Total revenue including inter-segment sales | 8,362 | 7,624 | 8,362 | 7,624 |
| Elimination of inter-segment sales | (1,309) | (967) | (1,309) | (967) |
| Total | 7,053 | 6,657 | 7,053 | 6,657 |
| Results from: | | | | |
| Cookware | (120) | (482) | (120) | (482) |
| Stainless steel products | 16 | 18 | 16 | 18 |
| Food and beverages | (937) | (639) | (937) | (639) |
| Logistics | 11 | 30 | 11 | 30 |
| Electric vehicles (EV) | (649) | (369) | (649) | (369) |
| Others | 9 | 1,293 | 9 | 1,293 |
| | (1,670) | (149) | (1,670) | (149) |
| Elimination of inter-segment results | 217 | (939) | 217 | (939) |
| Total result | (1,453) | (1,088) | (1,453) | (1,088) |
| Unallocated corporate income/(expenses) | 71 | 28 | 71 | 28 |
| Finance income | 1 | 3 | 1 | 3 |
| Finance costs | (100) | (78) | (100) | (78) |
| Share of profit/(loss) of equity-accounted associate | - | (45) | - | (45) |
| Income tax expense | (17) | (59) | (17) | (59) |
| Loss for the period | (1,498) | (1,239) | (1,498) | (1,239) |

A12 SEGMENTAL INFORMATION (CONT.)

Segment Assets

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

| | As at 31.03.2024 RM'000 | As at 31.12.2023 RM'000 |
|-------------------------------------|---|---|
| Cookware | 57,798 | 57,157 |
| Stainless steel products | 23,685 | 23,342 |
| Food and beverages | 14,615 | 14,231 |
| Logistics | 1,115 | 1,183 |
| Electric vehicles (EV) | 8,306 | 6,800 |
| Others | 5,279 | 4,210 |
| | <u>110,798</u> | <u>106,923</u> |
| Elimination of inter-segment assets | (11,993) | (9,102) |
| Total segment assets | <u>98,805</u> | <u>97,821</u> |
| Unallocated corporate assets | 8,690 | 9,647 |
| Total assets | <u><u>107,495</u></u> | <u><u>107,468</u></u> |

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 31.03.2024 RM'000 | As at 31.12.2023 RM'000 |
|--|---|---|
| Cookware | 3,254 | 2,505 |
| Stainless steel products | 3,486 | 3,105 |
| Food and beverages | 11,242 | 9,900 |
| Logistics | 969 | 1,040 |
| Electric vehicles (EV) | 5,684 | 3,529 |
| Others | 7,081 | 7,024 |
| | <u>31,716</u> | <u>27,103</u> |
| Elimination of inter-segment liabilities | (16,442) | (13,334) |
| Total segment liabilities | <u>15,274</u> | <u>13,769</u> |
| Unallocated corporate liabilities | 3,357 | 3,340 |
| Total liabilities | <u><u>18,631</u></u> | <u><u>17,109</u></u> |

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A13 OPERATING PROFIT/(LOSS)

| | Current Quarter | | Cumulative Quarter | |
|---|------------------------|-------------------|---------------------------|-------------------|
| | 3 months ended | | 3 months ended | |
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Operating profit/(loss) is arrived at after charging and (crediting): | | | | |
| Finance income | (1) | (3) | (1) | (3) |
| Other income including investment income | - | - | - | - |
| Rental income | - | - | - | - |
| Depreciation on property, plant and equipment | 719 | 785 | 719 | 785 |
| Depreciation on investment property | - | - | - | - |
| Depreciation on intangible assets | - | 28 | - | 28 |
| Depreciation on right-of-use assets | 126 | 69 | 126 | 69 |
| Provision for and write off of receivables | 4 | - | 4 | - |
| Provision for and write off of inventories | - | - | - | - |
| Provision for and write off of property, plant and equipment | - | - | - | - |
| (Gain)/ loss on disposal of quoted or unquoted investments | (34) | - | (34) | - |
| (Gain)/ loss on disposal of property, plant and equipment | 91 | - | 91 | - |
| (Gain)/ loss on termination of lease arrangement | (11) | - | (11) | - |
| Impairment of assets | - | - | - | - |
| Net (gain)/ loss on foreign exchange - unrealised | 122 | (49) | 122 | (49) |
| Net (gain)/ loss on foreign exchange - realised | (118) | (143) | (118) | (143) |
| Net (gain)/loss in fair value of financial instruments measured at fair value | (119) | (90) | (119) | (90) |
| Share-based payments | - | - | - | - |
| Net (gain)/ loss on derivatives | - | - | - | - |
| Exceptional items | - | - | - | - |

A14 FINANCE COSTS

| | Current Quarter | | Cumulative Quarter | |
|----------------------|------------------------|-------------------|---------------------------|-------------------|
| | 3 months ended | | 3 months ended | |
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Bank overdrafts | - | 23 | - | 23 |
| Bankers' acceptances | - | - | - | - |
| Hire purchases | 19 | 9 | 19 | 9 |
| Lease liabilities | 24 | 9 | 24 | 9 |
| RCPS | 57 | 37 | 57 | 37 |
| | 100 | 78 | 100 | 78 |

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 year under review.

A16 CONTINGENT ASSETS AND LIABILITIES

Save as disclosed below, the Company is not aware of any other contingent liabilities as at 31 March 2024:

| | 31.03.2024 |
|--|-------------------|
| | 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 31 March 2024 are as follows:

| | 31.03.2024 |
|-----------------------------|-------------------|
| | RM'000 |
| Approved and contracted for | |
| - Plant & Machineries | 15 |
| | <u>15</u> |

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

B1 OPERATING SEGMENTS REVIEW

Quarter Ended 31 March 2024 ("Q1 2024") vs Quarter Ended 31 March 2023 ("Q1 2023")

The Group's revenue and Loss Before Taxation ("LBT") were approximately RM7.05 million and RM1.48 million respectively for Q1 2024. Revenue in Q1 2024 was slightly higher by 5.95% as compared with the revenue in Q1 2023 mainly due to higher sales in cookware and cafe business. The Group's gross profit ("GP") margin for Q1 2024 was slightly lower at 28.54% compared with the GP margin of 29.11% achieved in Q1 2023 due to higher costs of goods sold. Other income generated in Q1 2024 was lower at RM0.26 million compared to other income of RM0.32 million in Q1 2023 due to the adverse impact of foreign exchange. Operating expenses in Q1 2024 was higher as compared with Q1 2023 at RM3.66 million. The Group recorded a LBT of RM1.48 million in Q1 2024 as compared to RM1.18 million in Q1 2023 as a result of higher operating expenses. The Loss After Taxation ("LAT") in Q1 2024 was RM1.50 million versus LAT of RM1.24 million recorded in Q1 2023.

3 Months Year Ended 31 March 2024 ("3M2024") vs 3 Months Year Ended 31 March 2023 ("3M2023")

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 3M2024 increased by RM0.54 million or 32.1% to RM2.24 million compared with the revenue achieved in 3M2023 of RM1.69 million as sales to Japan and USA & Canada increased by RM0.39 million and RM0.30 million respectively. However, the sales to Asia Pacific (excluding Japan) and Europe decreased by RM0.07 million and RM0.08 million. The cookware revenue by geographical market for 3M2024 is as follows:

| | 3 MONTHS ENDED | | Increase/ (Decrease) | % |
|--------------------------------|----------------|--------------|-------------------------|---------|
| | 31.03.2024 | 31.03.2023 | | |
| | RM'000 | RM'000 | RM'000 | |
| Japan | 923 | 531 | 392 | 73.8% |
| Asia Pacific (excluding Japan) | 1,014 | 1,082 | -68 | -6.3% |
| USA & Canada | 301 | - | 301 | 100.0% |
| Europe | - | 81 | -81 | -100.0% |
| | <u>2,238</u> | <u>1,694</u> | <u>544</u> | 32.1% |

(ii) Stainless Steel Products Division

The Stainless Steel Products Division's revenue for 3M2024 decreased by RM0.73 million or 23.6% to RM2.34 million compared with the revenue achieved in 3M2023 of RM3.07 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 3M2024 improved to RM1.48 million as compared to RM0.97 million in 3M2023 as sales picked up for the Blackbixon Café and Restaurant with the opening of a second outlet located at PJ33 commenced business in January 2024.

(iv) Logistics Services

The Logistics Division's revenue for 3M2024 was RM0.55 million as compared to RM0.93 million in 3M2023. The Division generated a lower revenue for the period due to increase in competition.

(v) Electric Vehicles (EV) Division

The EV Division's revenue for 3M2024 was RM0.43 million as compared to RM0.36 million in 3M2023. The sales was picking up as this Division managed to secure additional orders from new and existing customers.

B1 OPERATING SEGMENTS REVIEW (CONT.)

3 Months Period Ended 31 March 2024 ("3M2024") vs 3 Months Period Ended 31 March 2023 ("3M2023") (Cont.)

The Group's net assets per share as at 31 March 2024 stood at RM0.17. The Group's non-current assets has decreased to RM66.35 million compared with the non-current assets of RM67.57 million as at 31 March 2023 due to partial disposal of other investment and depreciation and amortisation. Inventories increased to RM21.64 million as at 31 March 2024 attributable to higher inventories in Stainless Steel Products and EV Divisions. Receivables, deposits and prepayments recorded an increase of RM2.20 million to RM5.77 million as compared to that as at 31 December 2023. The Group's net current assets was RM34.32 million as at 31 March 2024. The Group is in a positive net cash position as at 31 March 2024 with cash and cash equivalent of RM12.71 million after deducting all borrowings of the Group.

The Group's net operating cash outflow for 3M2024 was RM1.97 million. The net cash inflow from investing activities was RM0.30 million, being proceeds from disposal of other investment. Net cash outflow from financing activities was RM0.26 million, mainly attributable to the repayment of bank borrowings. The net resultant impact to the Group's cash flow was a decrease in cash of RM1.93 million during 3M2024. Net cash and cash equivalents amounted to RM13.15 million as at 31 March 2024.

B2 COMPARISON WITH IMMEDIATE PRECEEDING QUARTER'S RESULTS

| | 3 months ended 31.03.2024 | 3 months ended 31.12.2023 | Changes % |
|---|---------------------------------|---------------------------------|--------------|
| Revenue | 7,053 | 8,958 | -21% |
| Gross profit ("GP") | 2,013 | 1,838 | 10% |
| Operating (loss)/profit | (1,382) | (1,851) | -25% |
| (Loss)/Profit before taxation ("LBT"/"PBT") | (1,481) | (1,939) | 24% |
| (Loss)/Profit for the period | (1,498) | (1,667) | -10% |
| (Loss)/Profit attributable to the owners of the Company | (1,504) | (1,609) | -7% |

The Group's revenue in Q1 2024 was lower by RM1.91 million compared with Q4 2023. However, the Group GP was higher in Q1 2024. The Group recorded a Loss Before Taxation ("LBT") of RM1.48 million in the first quarter of 2024 as compared to LBT of RM1.94 million in the immediate preceding quarter.

B3 COMMENTARY ON PROSPECT

The supply of semi-finished stainless steel cookware products to Thailand has commenced and this is expected to make a healthy contribution to the Cookware Division.

The Group's EV Division has launched 3 new variants of EV motorcycles in May 2024. The exclusive launch of 2 models of the EV motorcycles, TC Max and CPx PRO, which are high powered EV motorcycles manufactured by VMOTO at the Foyer and Piazza of The Starhill, Bukit Bintang KL, marking a New Chapter for EBIXON, featured the MotoGP Legend, 5 times MotoGP World champion and Official VMOTO Ambassador, Jorge Lorenzo. TC Max was awarded 'Best Electric Motorbike' in Move Electric Awards and the 2023 Urban Electric Bike of the Year MCN Award. CPx PRO has officially set a new @guinnessworldrecords for "The Greatest distance on an electric scooter in 24 hours by a team in relay" in November 2023. The third model, KRUZ, manufactured by TAILG was launched separately at the same venue. All 3 variants have unique features and appeals have generated strong interests during the launches. The Division has appointed dealers for the sales and marketing of EBIXON motorcycles in the country in addition to the engagements with government departments, agencies and corporate entities on the use of EV two-wheelers in operational functions such as security, surveillance, enforcement etc.

The Group has opened its second Blackbixon Café & Restaurant at PJ33 in Petaling Jaya in January 2024 with several more locations in the Klang Valley planned 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 31.03.2024 RM'000 | Cumulative Quarter 3 months ended 31.03.2024 RM'000 |
|----------------------------------|---|--|
| In respect of the current period | | |
| - Malaysian tax | - | - |
| - Deferred tax | 106 | 106 |
| | <u>106</u> | <u>106</u> |
| In respect of the prior year | | |
| - Malaysian tax | - | - |
| - Deferred tax | (89) | (89) |
| | <u>(89)</u> | <u>(89)</u> |
| | <u>17</u> | <u>17</u> |

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

The effective tax rate of the Group is lower than the statutory tax rate mainly due to net gain in fair value of investment in quoted shares measured at fair value by the Company which is not subject to income tax. The Group's financial statements include losses of subsidiaries which cannot be set off against taxable profit made by other subsidiaries.

B7 GROUP BORROWINGS AND DEBT SECURITIES

Save as disclosed below, there were no other borrowings or debt securities in the Group as at 31 March 2024:

| | As at 31.03.2024 RM'000 | As at 31.12.2023 RM'000 |
|---------------------------------|--|--|
| Non-current: | | |
| Hire purchase liabilities | 238 | 332 |
| Current: | | |
| Bank overdraft - unsecured | 41 | - |
| Bankers' acceptance - unsecured | - | - |
| Hire purchase liabilities | 204 | 263 |
| | <u>245</u> | <u>263</u> |
| | <u>483</u> | <u>595</u> |

All borrowings are denominated in Malaysia Ringgit.

B8 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

As at 31 March 2024, 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 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.

On 8 March 2024, following the careful commercial considerations, the Parties have mutually agreed to terminate the SC. Upon the termination of SC, neither party shall have any claim against the other. The termination of SC will not have any material financial effect to the Group.

- (2) 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.

- (3) 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).

- (4) Business Partnership Agreement ("BPA") entered into between Koperasi Tenaga Dan Petroliaam 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.

- (5) 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.

- (6) 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.

- (7) 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.)

- (8) 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 assembling facility.

- (9) 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 31 March 2024, 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.

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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 3 months ended | |
|---|-----------------------------------|---------------|--------------------------------------|---------------|
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| Basic EPS | | | | |
| (Loss)/Profit attributable to owners of the Company (RM '000) | (1,504) | (1,247) | (1,504) | (1,247) |
| Weighted average no. of ordinary shares in issue ('000) | 523,670 | 524,054 | 523,670 | 524,054 |
| Basic EPS (sen) | <u>(0.29)</u> | <u>(0.24)</u> | <u>(0.29)</u> | <u>(0.24)</u> |

(b) Diluted

As at 31 March 2024, 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 29 May 2024.

On behalf of the Board of Directors
NI HSIN GROUP BERHAD

SOFIYAN BIN YAHYA
Independent Non-Executive Chairman

Date: 29 May 2024