



NI HSIN GROUP BERHAD

(Formerly known as Ni Hsin Resources Berhad)
(Registration No.: 200401014850 (653353-W))
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED

31 DECEMBER 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**
(The figures have not been audited)

	Note	CURRENT QUARTER 3 MONTHS ENDED			CUMULATIVE QUARTER 12 MONTHS ENDED		
		31.12.2021 RM'000	31.12.2020 RM'000	Changes (%)	31.12.2021 RM'000	31.12.2020 RM'000	Changes (%)
Revenue	A12	8,844	7,316	21%	30,617	25,289	21%
Cost of sales		(6,886)	(5,315)		(23,237)	(18,867)	
Gross Profit		1,958	2,001	-2%	7,380	6,422	15%
Other (loss)/income		199	2,464		933	5,327	
Operating expenses		(6,126)	(3,256)		(15,206)	(9,769)	
Operating (loss)/profit	A13	(3,969)	1,209	428%	(6,893)	1,980	448%
Finance income		1	6		4	25	
Finance costs		(79)	(35)		(278)	(132)	
Share of profit/(loss) of equity- accounted associate, net of tax		(40)	-		(108)	-	
Profit/(Loss) before taxation		(4,087)	1,180	446%	(7,275)	1,873	488%
Income tax expenses	B6	805	44		828	49	
Profit/(Loss) for the period		(3,282)	1,224	368%	(6,447)	1,922	435%
Other comprehensive income/(expense), net of tax							
Revaluation of property		7,372	-		7,372	-	
<u>Item that may be subsequently reclassified to profit or loss:</u>							
Foreign currency translation differences for foreign operations		1	(5)		12	(10)	
Other comprehensive expense for the year, net of tax		7,373	(5)		7,384	(10)	
Total comprehensive income/(expense) for the period		4,091	1,219	-236%	937	1,912	51%
Profit attributable to:							
Owners of the Company		(3,229)	1,224		(6,394)	1,922	
Non-controlling interests		(53)	-		(53)	-	
Profit for the period		(3,282)	1,224		(6,447)	1,922	
Total comprehensive income/(expense) attributable to:							
Owners of the Company		4,144	1,219		990	1,912	
Non-controlling interests		(53)	-		(53)	-	
Total comprehensive income/(expense) the period		4,091	1,219		937	1,912	
Earnings per share (sen)							
~ Basic	B12	(0.75)	0.39		(1.49)	0.61	
~ Diluted	B12	(0.29)	0.35		(0.58)	0.55	

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 2020 and the accompanying explanatory notes attached to the Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021
(The figures have not been audited)

	Note	AS AT 31.12.2021 RM'000	AS AT 31.12.2020 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	A9	54,539	42,455
Intangible assets		186	-
Investment property		-	1,198
Right-of-use assets		163	-
Goodwill		5,633	5,105
Investment in associate		182	-
Deferred tax asset		-	17
Other investment		524	-
		<u>61,227</u>	<u>48,775</u>
Current assets			
Inventories		21,961	20,125
Receivables, deposits and prepayments		4,999	7,535
Derivative financial assets	B11	-	-
Current tax assets		661	617
Cash and cash equivalents		28,183	20,609
		<u>55,804</u>	<u>48,886</u>
TOTAL ASSETS		<u>117,031</u>	<u>97,661</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		81,061	66,495
Reserves		20,020	22,021
Equity attributable to owners of the Company		<u>101,081</u>	<u>88,516</u>
Non-controlling interest		-	-
Total equity		<u>101,081</u>	<u>88,516</u>
Non-current liabilities			
Deferred tax liability		3,230	2,721
Borrowings	B7	689	-
Redeemable Convertible Preference Shares (RCPS)		6,065	-
- Liability component		-	-
Lease liabilities		166	-
		<u>10,150</u>	<u>2,721</u>
Current liabilities			
Payables and accruals		4,908	3,993
Borrowings	B7	731	2,431
Redeemable Convertible Preference Shares (RCPS)		161	-
- Liability component		-	-
Lease liabilities		-	-
Derivative financial liabilities	B11	-	-
		<u>5,800</u>	<u>6,424</u>
Total liabilities		<u>15,950</u>	<u>9,145</u>
TOTAL EQUITY AND LIABILITIES		<u>117,031</u>	<u>97,661</u>
Net Assets per share attributable to owners of the Company (RM)		0.21	0.28

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 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 YEAR ENDED 31 DECEMBER 2021**

(The figures have not been audited)

	/----- Non-distributable -----/						Distributable		Non-	Total	
	Share	Treasury	Translation	Fair value	RCPS - equity	Revaluation	Other	Retained Profits /	Total	controlling	Total
	Capital	Shares	Reserve	Reserve	component	Reserve	Reserve	(Accumulated	RM'000	Interest	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	losses)		RM'000	RM'000
								RM'000			
At 1 January 2020	66,123	(1,245)	161	-	-	16,386	9,206	(4,123)	86,508	-	86,508
Foreign currency translation differences for foreign operations	-	-	(10)	-	-	-	-	-	(10)	-	(10)
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	-	-	(10)	-	-	-	-	-	(10)	-	(10)
Profit for the period	-	-	-	-	-	-	-	1,922	1,922	-	1,922
Total comprehensive income/ (expense) for the period	-	-	(10)	-	-	-	-	1,922	1,912	-	1,912
<i>Contributions by and distributions to owners of the Company</i>											
Own shares acquired	-	(495)	-	-	-	-	-	-	(495)	-	(495)
Own shares sold	53	166	-	-	-	-	-	-	219	-	219
Warrant exercised	372	-	-	-	-	-	-	-	372	-	372
Share dividend	-	-	-	-	-	-	-	-	-	-	-
Total transactions with the owners of the Company	425	(329)	-	-	-	-	-	-	96	-	96
At 31 December 2020	66,548	(1,574)	151	-	-	16,386	9,206	(2,201)	88,516	-	88,516
At 1 January 2021	66,495	(1,574)	151	-	-	16,386	9,206	(2,148)	88,516	-	88,516
Foreign currency translation differences for foreign operations	-	-	12	-	-	-	-	-	12	-	12
Revaluation of property	-	-	-	-	-	7,372	-	-	7,372	-	7,372
Fair value of available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income/(expense) for the period	-	-	12	-	-	7,372	-	-	7,384	-	7,384
Profit/(Loss) for the period	-	-	-	-	-	-	-	(6,394)	(6,394)	(53)	(6,447)
Total comprehensive income/ (expense) for the period	-	-	12	-	-	7,372	-	(6,394)	990	(53)	937
<i>Contributions by and distributions to owners of the Company</i>											
Own shares acquired	-	(5,592)	-	-	-	-	-	-	(5,592)	-	(5,592)
Own shares sold	-	1,617	-	-	-	-	-	847	2,464	-	2,464
Warrant exercised	7,816	-	-	-	-	-	-	-	7,816	-	7,816
Issuance of RCPS	-	-	-	-	147	-	-	-	147	-	147
RCPS conversion	6,750	-	-	-	(10)	-	-	-	6,740	-	6,740
Changes in ownership interests in subsidiary	-	-	-	-	-	-	-	-	-	53	53
Total transactions with the owners of the Company	14,566	(3,975)	-	-	137	-	-	847	11,575	53	11,628
At 31 December 2021	81,061	(5,549)	163	-	137	23,758	9,206	(7,695)	101,081	-	101,081

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 2019 and the accompanying explanatory notes attached to the Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

(The figures have not been audited)

	12 MONTHS ENDED	
	31.12.2021	31.12.2020
	RM'000	RM'000
Cash flows from operating activities		
Profit/ (Loss) before tax	(7,275)	1,873
Adjustments:		
Depreciation on property, plant and equipment	2,208	1,873
Depreciation on investment property	22	27
Depreciation on right-of-use assets	41	102
Depreciation on intangible assets	37	-
Loss/(Gain) on disposal of property, plant and equipment	(53)	-
Loss/(Gain) on disposal of investment property	177	-
Write off of property, plant and equipment	7	14
Interest paid	278	132
Interest received	(4)	(25)
Dividend income	(379)	(240)
Provision for sponsorship	500	-
Net gain on foreign exchange	(115)	113
Share of profit/(loss) of equity-accounted associate	108	-
(Gain)/ loss on disposal of quoted or unquoted investments	-	(4,361)
Net loss/ (gain) in fair value of financial instruments measured at fair value	(38)	22
Operating profit before changes in working capital	<u>(4,486)</u>	<u>(470)</u>
Changes in working capital:		
Decrease/(Increase) in operating assets	257	(4,405)
(Increase)/Decrease in operating liabilities	7,143	35
Cash generated from operations	2,914	(4,840)
Income taxes paid	(387)	(484)
Income taxes refunded	53	-
Interest paid	(81)	(128)
Interest received	4	25
Net cash generated from/(used in) operating activities	<u>2,503</u>	<u>(5,427)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,364)	(312)
Purchase of intangible assets	(223)	-
Acquisition of other investments	(506)	(2,944)
Acquisition of subsidiary, net of cash and cash equivalents acquired	(528)	-
Acquisition of non-controlling interests	53	-
Investment in associate	(290)	-
Proceeds from disposal of property, plant and equipment	111	-
Proceeds from disposal of investment property	1,000	-
Proceeds from disposal of other investments	-	17,251
Dividend income	379	240
Net cash generated from/(used in) investing activities	<u>(5,368)</u>	<u>14,235</u>
Cash flows from financing activities		
Net (repayment)/ proceeds of bankers' acceptances	(468)	(386)
Proceeds/(Payments) of finance lease liabilities	744	(141)
Payments of lease liabilities	(44)	(110)
Repurchase of treasury shares	(5,592)	(495)
Proceeds from exercise of warrants	7,817	372
Proceeds from conversion of redeemable convertible preference shares	6,750	-
Proceeds from sales of treasury shares	2,464	219
Net cash generated from/(used in) financing activities	<u>11,671</u>	<u>(541)</u>
Net increase in cash and cash equivalents	8,806	8,267
Effect of exchange rate fluctuations on cash held	80	(118)
Cash and cash equivalents at 1 January	19,297	11,148
Cash and cash equivalents at 31 December	<u>28,183</u>	<u>19,297</u>
Cash and cash equivalent at the end of the financial period comprise the following :		
	RM'000	RM'000
Deposits with licensed bank	214	211
Bank and Cash balances	7,201	4,958
Fixed income trust fund	20,768	15,440
Bank overdraft (included within short term borrowings in Note B7)	-	(1,312)
	<u>28,183</u>	<u>19,297</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 2020 and the accompanying explanatory notes attached to the Interim Financial Statements.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE YEARD ENDED 31 DECEMBER 2021

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 2020. 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 2020.

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 2020, except for the following:

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

Effective for financial periods commencing on or after 1 June 2020

Amendment to MFRS 16, Leases – Covid-19 - Related Rent Concessions

Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2

(b) Standards issued but not yet effective

Effective for financial periods commencing on or after 1 April 2021

Amendment to MFRS 16 Leases - Covid-19 - Related Rent Concessions beyond 30 June 2021

Effective for financial periods commencing on or after 1 January 2022

Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework

Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 - 2020:

- Amendment to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards

- Amendment to MFRS 9 Financial Instruments

- Amendment to MFRS 141 Agriculture

Effective for financial periods commencing on or after 1 January 2023

MFRS 17, Insurance Contracts

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

A2 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(b) Standards issued but not yet effective (Cont.)

Effective date of these Standards have 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

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 2020.

A4 SEASONAL OR CYCLICAL FACTORS

The Cookware Division's revenue is subject to seasonality due to market demand and supply 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 year ended 31 December 2021.

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 year ended 31 December 2021.

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 ended 31 December 2021.

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 year ended 31 December 2021.

(a) Share Buy-backs

At the Annual General Meeting of the Company held on 23 June 2021, 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 December 2021, the total number of shares bought back and held as treasury shares were 33,312,436 ordinary shares, representing 6.52% 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 year ended 31 December 2021.

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

(a) Share Buy-backs (Cont.)

During the financial year, 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	1,000,000	0.240	0.265	0.256	256,645.14
February	14,749,600	0.170	0.210	0.197	2,912,147.50
March	3,051,200	0.145	0.175	0.162	494,972.81
April	1,772,500	0.145	0.150	0.148	262,011.54
May	2,039,200	0.130	0.150	0.139	282,814.14
June	1,046,000	0.120	0.135	0.126	131,551.50
July	200,000	0.120	0.120	0.120	24,183.84
August	0	0.000	0.000	0.000	0.00
September	3,660,000	0.130	0.155	0.141	517,851.92
October	1,650,000	0.130	0.135	0.134	220,426.88
November	3,305,000	0.115	0.135	0.126	417,468.68
December	619,400	0.115	0.120	0.116	71,991.61

[#] Inclusive of Sales and Services Tax (SST), commission, stamp duty and other charges.

During the financial year, the Company resold its treasury shares to the open market as follows:

Month	No. of shares resold	Minimum price (RM)	Maximum price (RM)	Average price (RM)	Total amount received [#] (RM)
February	9,242,000	0.265	0.270	0.268	2,464,076.30

[#] Net with Sales and Services Tax (SST), commission, stamp duty and other charges.

(b) Warrants

On 21 May 2019, the Company undertook a bonus issue of 158,535,265 free warrants on the basis of one warrant for every two existing ordinary shares in the Company. The expiry date of the warrants is 13 May 2022. The exercise price of the warrants is RM0.138 per share.

On 8 February 2021, the Company undertook a warrant adjustment by issuance of 49,025,223 additional warrants with the new exercise price of the warrant of RM0.05 per share to reflect the consequential revisions in the exercise price of outstanding warrants and the total number of outstanding warrants after the implementation of the Rights Issue of Redeemable Convertible Preference Shares.

During the financial year, the warrants exercised by registered warrant holders to new ordinary shares as follows:

Month of allotment	Exercise price (RM)	No. of additional warrants issued	No. of warrants exercised	Balance warrants outstanding
Balance b/f				155,840,924
January	0.138		14,941,800	140,899,124
February	0.050		43,643,100	97,256,024
March	0.050	49,025,223	38,466,648	107,814,599
April	0.050		977,200	106,837,399
May	0.050		200,000	106,637,399
June	0.050		206,200	106,431,199
July	0.050		0	106,431,199
August	0.050		2,000,000	104,431,199
September	0.050		28,005,471	76,425,728
October	0.050		896,700	75,529,028
November	0.050		700,000	74,829,028
December	0.050		0	74,829,028

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

(b) Redeemable Convertible Preference Shares (RCPS) (Cont.)

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 December 2021, the total number of RCPS conversion were 56,247,900 RCPS into 56,247,900 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 year ended 31 December 2021, except for the following:

On 22 March 2021, the Company's wholly-owned subsidiary, Ni Hsin Food & Beverages Sdn. Bhd. ("NHFB") has incorporated a new wholly-owned subsidiary, known as Blackbixon2Go Sdn. Bhd. ("BB2GO"). The issued and paid-up capital of BB2GO is RM2.00 only comprising 2 ordinary shares. The principal activity of BB2GO is engaged in all kinds of business relating to foods and beverages. Subsequent to the incorporation, BB2GO becomes a wholly-owned subsidiary of NHFB, which in turn is a wholly-owned subsidiary of the Company.

On 24 August 2021, the Company has incorporated new wholly-owned subsidiaries, known as Ni Hsin EV Tech Sdn. Bhd. ("NHEVT") and Ni Hsin Ecologistics Sdn Bhd ("NHECO"). The issued and paid-up capital of NHEVT and NHECO is RM1.00 only comprising 1 ordinary share respectively. The principal activity of NHEVT is manufacturing, assembling, promoting and marketing of all kinds of electric vehicles and accessories and the principal activity of NHECO is eco-friendly logistics, transport, general carriers forwarding agents, courier and cargo handlers and contractor.

On 8 October 2021, NHEVT has increased the issued and paid-up capital to RM3.00 million and on 20 October 2021, NHECO has increased the issued and paid-up capital to RM1.00 million.

On 22 October 2021, the Company's wholly-owned subsidiary, NHECO has acquired 60% equity interest of a company, known as Pride Logistics Alliance Sdn. Bhd. ("PLA"). The principal activity of PLA is logistics, transport, general carriers forwarding agents, courier and cargo handlers and contractor. Subsequent to the acquisition, PLA becomes a subsidiary of NHECO, which in turn is a 60% owned subsidiary of the Company.

A11 DIVIDEND PAID

No dividend was paid during the current quarter and financial year ended 31 December 2021.

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 and food & beverages business. The segmental results of the Group for the financial year under review are as follows:

RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Segment Revenue				
Revenue from:				
Cookware	3,775	3,355	15,846	10,669
Stainless steel products	4,654	4,352	17,088	18,280
Food and beverages	396	-	769	-
Others	935	666	2,867	1,526
Total revenue including inter-segment sales	9,760	8,373	36,570	30,475
Elimination of inter-segment sales	(916)	(1,057)	(5,953)	(5,186)
Total	8,844	7,316	30,617	25,289
Results from:				
Cookware	(775)	137	(781)	(1,212)
Stainless steel products	(75)	(140)	169	275
Food and beverages	(2,467)	(270)	(4,933)	(284)
Others	(166)	13	106	233
	(3,483)	(260)	(5,439)	(988)
Elimination of inter-segment results	758	54	662	34
Total result	(2,725)	(206)	(4,777)	(954)
Unallocated corporate income/(expenses)	(1,244)	1,415	(2,116)	2,934
Finance income	1	6	4	25
Finance costs	(79)	(35)	(278)	(132)
Share of profit/(loss) of equity-accounted associate	(40)	-	(108)	-
Income tax expense	805	44	828	49
Profit for the period	(3,282)	1,224	(6,447)	1,922

Segment Assets

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

	As at 31.12.2021 RM'000	As at 31.12.2020 RM'000
Cookware	60,134	55,335
Stainless steel products	21,950	22,365
Food and beverages	7,423	3,251
Others	19,573	7,855
	109,080	88,806
Elimination of inter-segment assets	(20,892)	(12,248)
Total segment assets	88,188	76,558
Unallocated corporate assets	28,843	21,103
Total assets	117,031	97,661

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 31.12.2021	As at 31.12.2020
	RM'000	RM'000
Cookware	6,361	8,903
Stainless steel products	3,883	4,859
Food and beverages	12,408	4,599
Others	11,369	417
	<u>34,021</u>	<u>18,778</u>
Elimination of inter-segment liabilities	(21,301)	(12,354)
Total segment liabilities	<u>12,720</u>	<u>6,424</u>
Unallocated corporate liabilities	3,230	2,721
Total liabilities	<u><u>15,950</u></u>	<u><u>9,145</u></u>

A13 OPERATING PROFIT/(LOSS)

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Operating profit/(loss) is arrived at after charging and (crediting):				
Finance income	(1)	(6)	(4)	(25)
Other income including investment income	-	-	-	-
Rental income	-	-	-	-
Depreciation on property, plant and equipment	601	459	2,208	1,873
Depreciation on investment property	2	7	22	27
Depreciation on right-of-use assets	10	25	41	102
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Provision for and write off of property, plant and equipment	2	9	7	14
Provision for sponsorship	500	-	500	-
(Gain)/ loss on disposal of quoted or unquoted investments	-	(1,996)	-	(4,361)
(Gain)/ loss on disposal of property, plant and equipment	-	-	(53)	-
(Gain)/ loss on disposal of investment property	117	-	117	-
Impairment of assets	-	-	-	-
Net (gain)/ loss on foreign exchange - unrealised	28	75	(115)	113
Net (gain)/ loss on foreign exchange - realised	(129)	(71)	(479)	(409)
Net (gain)/loss in fair value of financial instruments measured at fair value	33	108	38	-
Share-based payments	-	-	-	-
Net (gain)/ loss on derivatives	-	3	-	-
Exceptional items	-	-	-	-

A14 FINANCE COSTS

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Bank overdrafts	10	16	54	64
Bankers' acceptances	7	17	27	57
Finance lease liability	8	2	24	7
Lease liabilities	1	-	6	4
RCPS	53	-	167	-
	<u>79</u>	<u>35</u>	<u>278</u>	<u>132</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 except for the effect of COVID-19 pandemic as explained in Item B3 in this report.

A16 CONTINGENT ASSETS AND LIABILITIES

Save as disclosed below, the Company is not aware of any other contingent liabilities as at 31 December 2021:

	31.12.2021
	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 December 2021 are as follows:

	31.12.2021
	RM'000
Approved and contracted for	
- Plant & Machineries	333
- Coffee machines	1,892
- Office equipment	61
- Renovation	192
	<u>2,478</u>

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

B1 OPERATING SEGMENTS REVIEW

Quarter Ended 31 December 2021 ("Q4 2021") vs Quarter Ended 31 December 2020 ("Q4 2020")

The Group's revenue and Loss Before Taxation ("LBT") were approximately RM8.84 million and RM4.09 million respectively for Q4 2021. Revenue in Q4 2021 was higher by 20.9% as compared with the revenue in Q4 2020 as economic activities picked up on relaxation of pandemic restrictions. However, the Group's gross profit ("GP") margin for Q4 2021 decreased to 22.1% compared with the GP margin of 27.4% achieved in Q4 2020 due to lower GP margin of the Food & Beverages business which is in its infancy stage. Other income generated in Q4 2021 amounted to RM0.20 million compared with RM2.46 million in Q4 2020 which resulted from the gain on disposal of quoted investment of RM2.00 million. Operating expenses in Q4 2021 was higher as compared with Q4 2020 by RM2.87 million due to expenses incurred in connection with the new food and beverages business. The Group recorded a LBT of RM4.09 million in Q4 2021 as compared to Profit Before Tax ("PBT") of RM1.18 million in Q4 2020. The Loss After Taxation ("LAT") in Q4 2021 was RM3.28 million versus Profit After Tax ("PAT") of RM1.22 million recorded in Q4 2020. The PBT and PAT in Q4 2020 were achieved after registering a gain on disposal of quoted investment of approximately RM2.00 million.

12 Months Period Ended 31 December 2021 ("12M2021") vs 12 Months Period Ended 31 December 2020 ("12M2020")

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 12M2021 increased by RM4.19 million or 40.7% to RM14.49 million compared with the revenue achieved in 12M2020 of RM10.30 million as both sales to Japan and Asia Pacific (excluding Japan) increased significantly by RM2.23 million and RM2.18 million respectively. However, the sales to Europe was decreased slightly by RM0.33 million for 12M2021 as compared to 12M2020. The cookware revenue by geographical market for 12M2021 is as follows:

	12 MONTHS ENDED		Increase/ (Decrease)	%
	31.12.2021	31.12.2020		
	RM'000	RM'000	RM'000	
Japan	5,068	2,843	2,225	78.3%
Asia Pacific (excluding Japan)	7,207	5,025	2,182	43.4%
USA & Canada	2,137	2,029	108	5.3%
Europe	75	402	(327)	-81.3%
	<u>14,487</u>	<u>10,299</u>	<u>4,188</u>	40.7%

(ii) Stainless Steel Products Division

The Stainless Steel Products Division's revenue for 12M2021 decreased by RM0.55 million or 4.1% to RM12.91 million compared with the revenue achieved in 12M2020 of RM12.46 million due to lower sales to Singapore and Taiwan.

(iii) Food and Beverages Division

The Food and Beverages Division's revenue for 12M2021 was RM0.40 million. The Division generated a low revenue for 12M2021 as it only commenced business in the second quarter of the financial year and is further impacted by the reimposition of the MCO in the midst of the pandemic.

The Group's net assets per share as at 31 December 2021 stood at RM0.21. The Group's non-current assets increased to RM61.23 million compared with the non-current assets of RM48.78 million as at 31 December 2020 due to revaluation of property, acquisition of property, plant and equipment, intangible assets and investment in an associate company. Inventories increased to RM21.96 million as at 31 December 2021 as the Group stocked up inventories for the Food and Beverages Division. Receivables, deposits and prepayments decreased by RM2.54 million to RM5.00 million mainly due to collections from customers. The Group's net current assets was RM50.00 million as at 31 December 2021. The Group is in a positive net cash position as at 31 December 2021 with cash and cash equivalent of RM26.76 million after deducting all borrowings of the Group.

B1 OPERATING SEGMENTS REVIEW (CONT.)

12 Months Period Ended 31 December 2021 ("12M2021") vs 12 Months Period Ended 31 December 2020 ("12M2020") (Cont.)

The Group's net operating cash inflow for 12M2021 was RM2.50 million. The net cash outflow from investing activities was RM5.37 million, mainly due to purchase of plant and equipment for the Food and Beverages Division. Net cash inflow from financing activities was RM11.67 million, mainly attributable to proceeds from exercise of warrants, conversion of RCPS and proceeds from reselling of treasury shares after deducting the cost of repurchase of the same. The net resultant impact to the Group's cash flow was an increase in cash of RM8.81 million during 12M2021. Net cash and cash equivalents amounted to RM28.18 million as at 31 December 2021.

B2 COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	3 months ended 31.12.2021	3 months ended 30.09.2021	Changes %
Revenue	8,844	6,345	39%
Gross profit ("GP")	1,958	1,876	4%
Operating (loss)/profit	(3,969)	(1,353)	193%
(Loss)/Profit before taxation ("LBT")/PBT")	(4,087)	(1,551)	-164%
(Loss)/Profit for the period	(3,282)	(1,554)	111%
(Loss)/Profit attributable to the owners of the Company	(3,229)	(1,554)	108%

The Group's revenue in Q4 2021 was higher by RM2.50 million compared with Q3 2021. Consistently, the Group GP was higher in Q4 2021. The Group recorded a Loss Before Taxation ("LBT") of RM4.09 million in the fourth quarter of 2021 as compared to LBT of RM1.55 million in the immediate preceding quarter.

B3 COMMENTARY ON PROSPECT

Malaysia's gross domestic product (GDP) is expected to accelerate to 5.5%-6.5% in 2022 from 3%-4% in 2021, boosted by the continuation of the various stimulus and assistance packages implemented by the government to combat Covid-19. The growth trajectory will be influenced by expectations of further expansion in global and domestic activities.

However, the main risk factor affecting the Group's revenue and earnings in 2022 is the emergence of the latest Omicron variant. The extent of its impact on the economy and consumer sentiment is difficult to foresee. Nonetheless, the Group will continue to maintain and improve product quality, focus on innovating products portfolio, monitoring costs, broadening the marketing network and addressing the needs of consumers to ensure business continuity.

B4 STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The status of the utilisation of proceeds from the public issue of RCPS is as follows:

Purpose	Proposed utilisation (RM'000)	Utilisation as at 31.12.2021 (RM'000)	Balance as at 31.12.2021		Estimated timeframe from 5 February 2021
			(RM'000)	(%)	
Capital expenditure for the F&B business	2,859	2,526	333	12%	Within 12 months
Working capital	3,400	3,400	0	0%	Completed
Estimated expenses for the corporate exercise	500	500	0	0%	Completed
Total	6,759	6,426	333	5%	

The utilisation of proceeds as disclosed above should be read in conjunction with the Abridged Prospectus of the Company dated 5 February 2021.

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 31.12.2021 RM'000	Cumulative Quarter 9 months ended 31.12.2021 RM'000
In respect of the current period		
- Malaysian tax	242	242
- Deferred tax	<u>(199)</u>	<u>(222)</u>
	43	20
In respect of the prior year		
- Malaysian tax	28	28
- Deferred tax	<u>(876)</u>	<u>(876)</u>
	<u>(848)</u>	<u>(848)</u>
	<u>(805)</u>	<u>(828)</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 31 December 2021:

	As at 31.12.2021 RM'000	As at 31.12.2020 RM'000
Non-current:		
Finance lease liability	<u>689</u>	-
Current:		
Bank overdraft - unsecured	-	1,312
Bankers' acceptance - unsecured	506	974
Finance lease liability	<u>225</u>	<u>145</u>
	<u>731</u>	<u>2,431</u>
	<u>1,420</u>	<u>2,431</u>

All borrowings are denominated in Malaysia Ringgit.

B8 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

As at 31 December 2021, 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 Dongguan Tailing Electric Vehicle Co., Ltd. (“TAILG”) and Ni Hsin EV Tech Sdn. Bhd. (“NH EV TECH”), a wholly-owned subsidiary of the Company

On 17 September 2021, NH EV TECH entered into a MOU with TAILG to enter into a collaboration and explore opportunities to study, research, develop, assemble and distribute customised Electric Vehicles for commercial purposes in Malaysia and the ASEAN region.

Following to the MOU, NH EV TECH had on 14 October 2021 entered into a Product Development Agreement (“Agreement”) with TAILG to develop customised electric bikes based on TAILG’s existing Model D-80 for commercial purposes and sell to NH EV TECH upon the terms and conditions of the Agreement. The objective of the MOU has been completed following the execution of the Agreement.

- (2) Update on the status of Memorandum of Understanding (“MOU”) entered into between Acasia Communications Sdn. Bhd. (“ACASIA”) and BlackBixon2Go Sdn. Bhd. (“BB2GO”), a 50% subsidiary of Ni Hsin Food & Beverages Sdn. Bhd., which in turn a 50% subsidiary of the Company

On 12 December 2021, BB2GO entered into a MOU 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.

As at the date of this report, the MOU is still ongoing.

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 December 2021, 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 12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Basic EPS				
(Loss)/Profit attributable to owners of the Company (RM '000)	(3,229)	1,224	(6,394)	1,922
Weighted average no. of ordinary shares in issue ('000)	430,491	313,844	430,491	313,844
Basic EPS (sen)	<u>(0.75)</u>	<u>0.39</u>	<u>(1.49)</u>	<u>0.61</u>

(b) Diluted

As at 31 December 2021, diluted EPS was calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average diluted number of ordinary shares outstanding during the period after accounting for the share buy-backs, reissue of treasury shares and adjustments for the effect of all dilutive potential ordinary shares arising from the share warrants on issue.

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Diluted EPS				
Profit/(Loss) attributable to owners of the Company (RM '000)	(3,229)	1,224	(6,394)	1,922
Weighted average no. of ordinary shares in issue ('000)	430,491	313,844	430,491	313,844
Effect of dilution ('000)	675,743	34,816	675,743	34,816
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>1,106,234</u>	<u>348,660</u>	<u>1,106,234</u>	<u>348,660</u>
Diluted EPS (sen)	<u>(0.29)</u>	<u>0.35</u>	<u>(0.58)</u>	<u>0.55</u>

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 24 February 2022.

On behalf of the Board of Directors
NI HSIN GROUP BERHAD
(Formerly known as Ni Hsin Resources Berhad)

SOFIYAN BIN YAHYA
Independent Non-Executive Chairman

Date: 24 February 2022