NI HSIN

Your Global Partner

SINCE 1989

Annual Report 2019

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CORPORATE INFORMATION

BOARD OF DIRECTORS

SOFIYAN BIN YAHYA
Independent Non-Executive Chairman

RIZVI BIN ABDUL HALIM
Executive Director

NG SHWU CHING
Executive Director

DATIN IDA SUZAINI BINTI ABDULLAH
Non-Independent Non-Executive Director

DATUK TAN CHOON HWA
Independent Non-Executive Director

LEOW CHAN KHIANG
Independent Non-Executive Director

COMPANY SECRETARIES
Tai Yit Chan (MAICSA 7009143)
Tan Ai Ning (MAICSA 7015852)

REGISTERED OFFICE
12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : 03 – 7890 4800
Fax : 03 – 7890 4650

BUSINESS ADDRESS
45, Jalan Taming Dua
Taman Taming Jaya
43300 Seri Kembangan
Selangor Darul Ehsan, Malaysia
Tel : 03 – 8961 6815
Fax : 03 – 8961 3941
Email : info@ni-hsin.com
Website : www.ni-hsin.com

SHARE REGISTRAR
Bina Management (M) Sdn. Bhd.
(197901005880 (50164-V))
Lot 10, The Highway Centre
Jalan 51/205, 46050 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : 03 – 7784 3922
Fax : 03 – 7784 1988

AUDITORS
KPMG PLT
(LLP0010081-LCA & AF0758)
Level 10, KPMG Tower
8, First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

PRINCIPAL BANKERS
CIMB Bank Berhad
(197201001799 (13491-P))
2468, Jalan Mutiara Timur Satu
Taman Mutiara Cheras
56100 Kuala Lumpur, Malaysia

United Overseas Bank (Malaysia) Bhd.
(199301017069 (271809-K))
Bangunan UOB Medan Pasar
10-12 Medan Pasar
P.O. Box 11378
50744 Kuala Lumpur, Malaysia

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia
Securities Berhad
Stock Name : NIHSIN
Stock Code : 7215

CORPORATE STRUCTURE

Ni Hsin Resources Berhad ("NHR")
(Registration No. 200401014850 (653353-W))
Incorporated in Malaysia

Investment Holding Company

100% — **Ni Hsin Corporation Sdn. Bhd. ("NHC")**
(Registration No. 198901008276 (185578-V))
Incorporated in Malaysia

Cookware Division
Design, manufacture and sale of stainless steel kitchenware and cookware

100% — **Ever-Grow Advanced Materials Sdn. Bhd. ("EGAM")**
(Registration No. 200101009808 (545564-A))
Incorporated in Malaysia

Convex Mirror & Clad Metal Division
Research, development and manufacture of clad metals and stainless steel convex mirrors

100% — **Ni Hsin Marketing Sdn. Bhd. ("NHM")**
(Registration No. 201501044196 (1169517-K))
Incorporated in Malaysia

Distribution and marketing of cookware, kitchenware, water filters and related products and accessories

100% — **Pentoli Sdn. Bhd. ("Pentoli")**
(Registration No. 201501035662 (1160982-V))
Incorporated in Malaysia

Distribution and marketing of cookware, kitchenware, water filters, convex mirrors and related products and accessories

100% — **Steel Crafts Europa S.R.L. ("SCE")**
(Company No. BS-513499)
Incorporated in Italy

Trading and assembly of kitchenware, cookware, clad metals and stainless steel convex mirrors

100% — **Ni Hsin Marketing (HK) Limited ("NHHK")**
(Company No. 2805491)
Incorporated in Hong Kong

General merchandiser and other commodities of all kinds and descriptions and retailer

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

GROUP INCOME STATEMENTS

The table below sets out a summary of consolidated results of the Ni Hsin Resources ("NHR") Group for the financial year ended 31 December 2015 to 31 December 2019:-

	2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000
Key Operating Results					
Revenue	45,936	37,817	39,612	33,195	31,117
Earnings/(Loss) before interest, taxation, depreciation and amortisation ("EBITDA")	5,813	(1,743)	5,155	4,102	(4,381)
Depreciation	(2,642)	(2,774)	(2,528)	(2,354)	(2,361)
Interest expense	(80)	(49)	(54)	(60)	(93)
Interest income	8	6	20	81	71
Profit/(Loss) Before Taxation ("PBT/(LBT)")	3,099	(4,560)	2,593	1,769	(6,764)
Taxation	(883)	(459)	(526)	396	609
Profit/(Loss) After Taxation ("PAT/(LAT)")	2,216	(5,019)	2,067	2,165	(6,155)
Non-controlling interests ("NCI")	-	105	18	2	-
Profit/(Loss) for the financial year attributable to owners of the Company	2,216	(4,914)	2,085	2,167	(6,155)
Other Key Data					
Total assets	66,955	84,844	90,571	103,386	95,197
Total borrowings	170	254	-	1,755	1,646
Shareholders' equity	58,653	74,444	80,118	92,737	86,508
PBT/(LBT) margin (%)	6.75	(12.06)	6.55	5.33	(21.74)
PAT/(LAT) after NCI margin (%)	4.82	(12.99)	5.26	6.53	(19.78)
Weighted average ordinary shares ('000)	229,001	218,671	220,243	291,148	315,937
Share price as at the financial year end (RM)	0.300	0.280	0.230	0.250	0.150
Gross Earnings/(Loss) Per Share ("EPS/(LPS)") (sen)[1]	1.31	(2.04)	1.19	0.61	(2.14)
Net EPS/(LPS) (sen)[1]	0.97	(2.25)	0.95	0.74	(1.95)
Tax-exempt Dividends Per Share (sen)	-	-	-	-	28.00
Return on total assets (%)	4.74	(5.32)	2.90	1.69	(7.08)
Return on equity (%)	5.41	(6.07)	3.28	1.88	(7.79)

[1] The gross and net EPS have been calculated by dividing PBT/LBT and PAT/LAT attributable to the owners of the Company respectively for the financial years by the number of weighted average ordinary shares assumed in issue for the financial year.

[2] There were no extraordinary or exceptional items for the financial years under review.

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS
(continued)

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Ni Hsin Resources Berhad Group ("NI HSIN") is principally engaged in the manufacturing of premium stainless steel products namely, premium stainless steel multiply cookware, multi-ply stainless steel clad metal, stainless steel convex mirror and stainless steel household water filtration casing. The Group provides Original Equipment Manufacturing ("OEM") and Original Design Manufacturing ("ODM") services.

Our manufacturing and production facilities are located in Seri Kembangan, Selangor.

Entering the new decade in 2020 the Group is re-positioning our business mission to expand our horizon with a new image, a renewed vigour and dynamism. We have changed our logo (below) that resembles the rising sun which is what our name NI HSIN means in the Japanese language.

The five bands represent the five continents that our Company aspires to reach out to in the conduct of our business. Hence our motto, *Your Global Partner.*

NI HSIN
Your Global Partner
SINCE 1989

VISION

To be the Preferred Global Partner in providing complete Original Equipment Manufacturing ("OEM") or Original Design Manufacturing ("ODM") product solutions and services, and ultimately reign as the leading manufacturer of exquisite stainless steel products throughout the world.

PRINCIPAL ACTIVITIES OF OUR GROUP

Manufacturing of premium stainless steel products:

- Premium Stainless Steel Multi-ply Cookware ranging from pressure cookers, woks, pots and sauce pans for household and commercial use on an OED/ODM basis besides having our own in-house brand of various multi-ply stainless steel cookware products known as Pentoli;
- Multi-ply Stainless Steel Clad Metal;
- Stainless Steel Convex Mirror; and
- Stainless Steel Household Water Filtration casing.

The Group will diversify into other business sectors by forging strategic partnerships with suitable business entities as we believe we have the management skills and economic vantage points to enhance the operations and management structure of promising business entities which are stagnated due to lack of funding or management efficiency.

KEY MARKETS

Our key markets are as follows:

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

FINANCIAL PERFORMANCE REVIEW

For the financial year ended 31 December 2019 ("FY2019"), the Group achieved a total revenue of RM31.1 million which was 6.3% lower than the total revenue achieved in FY2018 of RM33.2 million. The lower revenue recorded during FY2019 was mainly due to a significant decline in sales of cookware which was partly offset by improved performance of the remaining segments. The ongoing turbulent global market conditions coupled with the trade war between USA and China has significant impact on business sentiments.

Gross Profit ("GP") margin achieved during the year decreased by 4.1% compared to the previous year due to sales of products with lower profit margins. The Group recorded a Loss Before Taxation ("LBT") of RM6.76 million in FY2019 against a Profit Before Taxation ("PBT") of RM1.77 million in FY2018. Factors contributing to the difference in profitability include lower sales, decreased profit margins and decrease in fair value of investment in quoted shares in FY2019. The Group incurred a Loss After Taxation ("LAT") of RM6.16 million in FY2019 compared to a Profit After Taxation ("PAT") of RM2.17 million recorded in FY2018.

The Group's non-current assets decreased marginally to RM50.36 million compared with the non-current assets of RM52.61 million as at 31 December 2018. Inventories decreased slightly to RM20.44 million as at 31 December 2019. Receivables, deposits and prepayments decreased by RM1.85 million to RM2.83 million. The Group's net current assets was RM39.20 million as at 31 December 2019. The Group is in a positive net cash position as at 31 December 2019 with cash and cash equivalent of RM9.50 million after deducting all borrowings of the Group.

The Group's net operating cash outflow for FY2019 was RM1.19 million. The net cash outflow from investing activities was RM0.22 million, mainly due to acquisition of quoted shares and purchase of plant and equipment after deducting dividend received. Net cash outflow from financing activities was RM0.36 million, mainly attributable to repurchase of treasury shares and repayment of finance lease liabilities. The net resultant impact to the Group's cashflow was a decrease in cash of RM1.77 million during FY2019. Net cash and cash equivalents amounted to RM11.15 million as at 31 December 2019.

SALES PERFORMANCE BY DIVISION

The Group's performance by each Division for the financial year ended 31 December 2019 is as follows:

(i) Cookware

The Cookware Division's revenue for FY2019 decreased by RM3.38 million or 19.4% to RM14.07 million compared with the revenue achieved in FY2018 of RM17.45 million as sales to Asia Pacific (excluding Japan) and USA and Canada have decreased by RM2.46 million and RM0.99 million respectively. However, sales to Japan has increased slightly by RM0.29 million. The cookware revenue by geographical market for the period is as follows:

	FY2019 RM'000	FY2018 RM'000	Increase/ (Decrease) RM'000	%
Japan	7,500	7,205	295	4.1%
Asia Pacific (excluding Japan)	5,453	7,912	(2,459)	(31.1%)
USA & Canada	817	1,806	(989)	(54.8%)
Europe	304	529	(225)	(42.5%)
	14,074	17,452	(3,378)	(19.4%)

(ii) Convex Mirror

The Convex Mirror Division achieved a revenue of RM10.74 million for FY2019, a slight increase of RM0.60 million compared with the revenue of RM10.14 million achieved in FY2018. The increase in revenue is attributable to higher export sales to Japan and Bahrain. However, sales to Korea and Australia have declined by RM0.46 million and RM0.13 million respectively. The revenue for the Convex Mirror Division by geographical market for the period is as follows:

MANAGEMENT DISCUSSION AND ANALYSIS
(continued)

SALES PERFORMANCE BY DIVISION (CONTINUED)

(ii) Convex Mirror (continued)

	FY2019 RM'000	FY2018 RM'000	Increase/ (Decrease) RM'000	%
Japan	4,346	3,555	791	22.3%
Asia Pacific (excluding Japan)	3,857	4,079	(222)	(5.4%)
USA & Canada	348	267	81	30.3%
Europe	2,191	2,241	(50)	(2.2%)
	10,742	10,142	600	5.9%

(iii) Clad Metal

Clad Metal Division's revenue slightly increased in FY2019 by RM0.62 million to RM6.07 million compared with the revenue achieved in FY2018 of RM5.45 million due mainly to increased orders from Japan and Singapore customers. However, sales to Taiwan and Indonesia were lower by RM0.40 million and RM0.20 million respectively. The revenue for the Clad Metal Division by geographical market for the period is as follows:

	FY2019 RM'000	FY2018 RM'000	Increase/ (Decrease) RM'000	%
Japan	3,204	2,324	880	37.9%
Asia Pacific (excluding Japan)	2,066	1,774	292	(16.5%)
USA & Canada	-	62	(62)	(100%)
Europe	801	1,293	(492)	(38.1%)
	6,071	5,453	618	(11.3%)

RISK FACTORS

(i) Few Major Customers

Sales to our ten (10) largest customers accounted for approximately 65% of our total revenue in FY2019. Although we enjoy a good rapport with them, there can be no assurance that these customers will continue to procure the Group's products.

We attempt to mitigate any loss of customers by having integrated manufacturing capabilities to offer exclusive product design to our OEM/ODM customers and adhere to stringent production and operational standards which are subjected to audits by our customers. We have also developed our own brand of premium stainless steel multi-ply cookware, PENTOLI, for the local and overseas markets. We also continually seek new customers, broaden our products range, develop a more diversified market both conventional and digital.

(ii) Competition from Overseas Players

In recent years there has been an increasing trend of outsourcing high-end stainless steel cookware to manufacturers in Asia, especially Malaysia, the People's Republic of China and South Korea, due to lower operating costs in these countries thus increasing the competition.

We believe our competitive strengths which include synergistic operations in the manufacturing of our raw materials – our own proprietary multi-ply clad metal, strategic partnerships with our customers via our OEM/ODM strategies, strong R&D capabilities, experienced management team, consistent high product quality, innovative designs, competitive pricing, prompt delivery and efficient production play a significant role in mitigating the risk of competition.

RISK FACTORS (CONTINUED)

(iii) Trade War between China and USA and The Coronavirus Outbreak

The ongoing trade war between China and USA poses uncertainties in the global economy and the coronavirus outbreak may worsen. Both these issues pose direct risks to global economic activities.

(iv) Foreign Exchange Fluctuations

We are exposed to the foreign exchange risk through our exports to other countries such as Japan, USA, Europe, Australia and the Asia Pacific. Our exports to these countries are mostly denominated in USD. Our purchases of imported raw materials are also denominated in USD. As such, we have a natural hedge against foreign currency exposure.

PROSPECTS AND STRATEGIES

Global economic growth is seen dipping slightly this year compared to last as the coronavirus weighs on momentum in first six (6) months, particularly in China. However, the "phase-one" U.S.-China trade deal should reduce global trade uncertainty to an extent. A possible worsening of the viral outbreak, a resurgence of U.S.-China tensions and social unrest in some countries pose downside risks.

In Japan, the economy contracted at the fastest pace in five-and-a-half years in the fourth quarter of last year, as private consumption slumped following the consumption tax increase in October and the devastation wreaked by Typhoon Hagibis in the same month. The prospects of an economic rebound in 2020 appear to be waning, as the coronavirus outbreak in China has spread across the East Asia region and taken root in Japan, with thousands of cases now reported nationally. Economic growth will slow this year as the sales tax hike constrains private consumption and the coronavirus outbreak hampers activity. That said, the economy should benefit from ultra-low interest rates and low unemployment. A downside risk is the global coronavirus outbreak becoming a global pandemic, forcing the cancellation of the 2020 Summer Olympics.

On the local front the economy lost considerable traction in the final quarter of 2019. GDP grew 3.6% in annual terms in the fourth quarter, down from Q3's 4.4% expansion and marking the worst performance since the global financial crisis in 2009. Moreover, the result notably missed market expectations of a softer slowdown to 4.2%. In quarter-on-quarter seasonally-adjusted terms, GDP growth decelerated to 0.6% in Q4 from 0.9% in Q3. All told, economic growth in 2019 cooled to 4.3% from 4.7% in 2018, which also represented the worst performance in 10 years.

This year the economy is likely to remain soft as prolonged weakness in export-oriented sectors spills over into the labor market, and thus constrains household spending. The outlook will also partly hinge on ongoing U.S.-China trade negotiations: Further progress would be a tailwind for growth whereas a setback could prolong the export recovery.

FocusEconomics Consensus Forecast panelists project GDP to grow 4.4% in 2020, which is up 0.1 percentage points from last month's projection. For 2021, the panel sees economic growth of 4.5%. (Source: FocusEconomics)

FY2020 will be a very challenging year with the U.S.-China trade tensions continuing and a possible worsening of the viral outbreak. However, the worsening US-China tensions offers opportunities to replace China exports to countries aligned with the US. The Stainless Steel Convex Mirrors segment however, provides some bright prospects with a sizeable market still untapped. We will intensify our efforts to create awareness of the uses and benefits of convex mirrors for safety and security purposes as well as the advantages of our stainless steel convex mirrors over the conventional acrylic/polycarbonate types currently used.

As mentioned above, we will diversify into other business sectors by forging strategic partnerships with suitable business entities to expand our income stream.

BOARD OF DIRECTORS' PROFILE

SOFIYAN BIN YAHYA
Independent Non-Executive Chairman

Sofiyan Bin Yahya, a Malaysian, aged 62, male, was appointed as our Independent Non-Executive Chairman on 22 November 2017. He serves as the Chairman of the Nomination Committee, Chairman of the Remuneration Committee and is a member of the Audit and Risk Management Committee.

Encik Sofiyan holds a Bachelor Degree in Mechanical Engineering from the City University of London. He is also a Professional Technologist (Ts.) under the Malaysian Board of Technologists (MBOT) and Fellow of the Institute of Materials Malaysia (IMM).

Encik Sofiyan has more than forty (40) years of experience in the oil and gas industry, in Malaysia and internationally. He began his career in 1979 as a graduate engineer in the Production Department of PETRONAS, obtaining his first exposure to the oil and gas industry. He later joined other companies as engineer and progressed into management positions, largely involved in engineering, construction and project management projects. He has gained exposure and accumulated extensive experience in various aspects of technical, operational, administration, projects, contractual, business development (including international business) and senior management.

Currently, he is the Chief Executive Officer and Director of SEAMOG Group Sdn. Bhd. and Executive Chairman of Cekap Technical Services Sdn. Bhd.

He attended four (4) out of five (5) Board meetings held during the financial year. Other than Ni Hsin Resources Berhad, he does not hold any other directorship in any other public company or listed issuer in Malaysia. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company, and has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 2019.

NG SHWU CHING
Executive Director

Ng Shwu Ching, a Malaysian, aged 52, female, was appointed as our Executive Director on 19 March 2005. She graduated from Cheng Chi University in Taiwan with a Bachelor of Finance. She also holds a Diploma in Taxation from Help Institute and Master in Finance from RMIT University obtained in 2002.

Ms Ng joined Ni Hsin Corporation Sdn. Bhd. as a Costing Assistant in 1992 after completing her training in KPMG Taiwan as an Accounts Services Executive. She was promoted to Finance Manager in 1996 to oversee the Finance and Accounting department. She was also responsible for the Management Information System function of our Group and helped to set up an Enterprise Resources Planning system. She was re-designated as Finance & Administration Manager in 2003 where she also oversees the human resource functions of our Group.

Ms Ng is currently responsible for the overall day-to-day operations which include business development and marketing operations, finance, accounting, secretarial, administrative, production and human resource functions of our Group.

Ms Ng attended all the five (5) Board meetings held during the financial year. Other than Ni Hsin Resources Berhad, she does not hold any other directorship in any other public company or listed issuer in Malaysia. She does not have any family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest with the Company, and has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 2019.

BOARD OF DIRECTORS' PROFILE
(continued)

RIZVI BIN ABDUL HALIM
Executive Director

Rizvi Bin Abdul Halim, a Malaysian, aged 50, male, was first appointed as our Independent Non-Executive Director on 10 October 2014 and was subsequently re-designated as Independent Non-Executive Chairman on 1 March 2017. On 22 November 2017, he was re-designated as Executive Director.

Encik Rizvi holds a Master of Business Administration from Ohio University USA and a Bachelor of Science Degree in Business Administration from Indiana State University USA. He also holds a Diploma in Hotel Management from Universiti Teknologi MARA (UiTM). Whilst in UiTM, he underwent the Reserve Officer Training Unit (ROTU) programme and was commissioned as a second lieutenant army officer.

Encik Rizvi has vast experience in corporate banking, corporate finance, capital market and syndication, and capital market regulations. He held the position of Account Manager in the Corporate Banking Department of Bank Bumiputra Malaysia Berhad (now known as CIMB Bank Berhad) from 1995 to 1996. From 1997 to 2000, he was the Assistant Manager in the Capital Markets & Syndications Department of Malaysian International Merchant Bankers Berhad (now known as Hong Leong Investment Bank Berhad). He joined Securities Commission Malaysia in 2000 and held the position of Senior Manager in the Equities-Corporate Finance Department until 2012.

Currently, Encik Rizvi is the shareholder and Director of Cascade Crest Sdn. Bhd., a company involved in construction and engineering works, and an Independent Non-Executive Director of Southern Cable Group Berhad.

Encik Rizvi attended all the five (5) Board meetings held during the financial year. Other than the directorship as disclosed above, he does not hold any other directorship in any other public company or listed issuer in Malaysia. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company, and has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 2019.

DATIN IDA SUZAINI BINTI ABDULLAH
Non-Independent Non-Executive Director

Datin Ida Suzaini Binti Abdullah, a Malaysian, aged 59, female, was appointed as our Executive Director on 10 October 2014 and was subsequently re-designated as Non-Independent Non-Executive Director on 1 April 2017. She holds a Master of Business Admin Certificate of Achievement from University of Heriot Watt, United Kingdom and Bachelor of Science (Hons) Geology from University of Malaya.

Datin Ida has extensive experience in the Oil and Gas sector. She was an advisor for Persada Nuri Sdn. Bhd. from 2006 to 2008. From 1995 to 2005, she was a dealer representative for US Desk Stockbroker in Rashid Hussain Securities. From 1994 to 1995, she was one of the top 5 stockbrokers in Sarawak Securities Sdn Bhd. She joined Sarawak Shell Berhad from 1984 to 1994 as seismic interpreter, exploration geologist and wellsite geologist. She was the Head of Research in copper and gold open pit mine for Overseas Mineral Resources Development.

Datin Ida attended all the five (5) Board meetings held during the financial year. Other than Ni Hsin Resources Berhad, she does not hold any other directorship in any other public company or listed issuer in Malaysia. She does not have any family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest with the Company, and has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 2019, except for the following:

a) On 14 October 2019, in her tenure as a Director of Three Sixty Capital Sdn. Bhd., she was compounded by the Companies Commission of Malaysia for a total sum of RM5,000.00 for breach of Section 259(1)(a) of the Companies Act 2016 being failure to lodge the financial statements and reports for the financial year 2018 within 30 days from the date of circulation to members of Three Sixty Capital Sdn. Bhd..

BOARD OF DIRECTORS' PROFILE
(continued)

DATUK TAN CHOON HWA
Independent Non-Executive Director

Datuk Tan Choon Hwa, a Malaysian, aged 61, male, was appointed as our Non-Independent Non-Executive Director on 21 January 2015 and was subsequently re-designated as Independent Non-Executive Director on 22 November 2017. He is a member of the Audit and Risk Management Committee.

Datuk Tan is a businessman with twenty (20) years of experience in various industries such as timber, mining, hotel resort, housing, land development and finance investment holding. He is the Executive Chairman of TCH Group. He also holds directorships in Wazlian Group. He also holds other chairmanships in several associations, President Malaysia – China Chamber of Commerce (Kelantan Branch) and Centre Committee, Vice President Malaysia Volleyball Association, Advisor Malaysia Chinese Business Association and Deputy Treasurer of Kelantan Amateur Football Association (KAFA).

Currently, Datuk Tan sits on the Board of SMTrack Berhad as an Executive Director which is listed on Bursa Malaysia Securities Berhad.

Datuk Tan attended four (4) out of five (5) Board meetings held during the financial year. Other than the directorships as disclosed above, he does not hold any other directorship in any other public company or listed issuer in Malaysia. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company, and has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 2019.

LEOW CHAN KHIANG
Independent Non-Executive Director

Leow Chan Khiang, a Malaysian, aged 53, male, was appointed as our Independent Non-Executive Director on 26 October 2015. He serves as the Chairman of the Audit and Risk Management Committee and is a member of the Nomination Committee and Remuneration Committee.

Mr Leow is a Fellow Member of the Association of Chartered Certified Accountants and a Chartered Accountant with the Malaysian Institute of Accountants. He obtained a Bachelor Degree in Economics from the University of Malaya in 1990 and a Master's degree in Business Administration from Universiti Utara Malaysia in 1999.

Mr Leow began his career in 1991 as an executive in Hong Leong Bank Berhad and was promoted to Assistant Manager in 1994. In 1996, he left Hong Leong Bank Berhad and joined Malaysian International Merchant Bankers Berhad as an Assistant Manager where he was responsible for various corporate fund raising exercises as well as general advisory work until 2001. Subsequently, he joined a logistic company until 2002. In 2002, he joined CAB Cakaran Corporation Berhad ("CAB") as a Director of Corporate Finance, and subsequently, was appointed as an Executive Director in 2003 where he was responsible for corporate planning, accounting and tax as well as joint-venture matters. He resigned from his position as an Executive Director of CAB in 2007 and was appointed to the Board of SLP Resources Berhad as Non-Independent Non-Executive Director in the same year.

Currently, Mr Leow sits on the Board of SLP Resources Berhad as an Independent Non-Executive Director, Salutica Berhad as an Independent Non-Executive Director, Tek Seng Holdings Berhad as an Independent Non-Executive Director and Sanbumi Holdings Berhad as an Independent Non-Executive Director, all of which are companies listed on Bursa Malaysia Securities Berhad.

Mr Leow attended all the five (5) Board meetings held during the financial year. Other than the directorships as disclosed above, he does not hold any other directorship in any other public company or listed issuer in Malaysia. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company, and has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 2019.

KEY SENIOR MANAGEMENT PROFILE

KHOO CHEE KONG
Managing Director
Ni Hsin Corporation Sdn. Bhd., Ever-Grow Advanced Materials Sdn. Bhd., Pentoli Sdn. Bhd. and Ni Hsin Marketing Sdn. Bhd.

Khoo Chee Kong, a Malaysian, aged 58, male, was appointed as Managing Director of the subsidiary companies of the Group namely, Ni Hsin Corporation Sdn. Bhd., Ever-Grow Advanced Materials Sdn. Bhd., both on 1 October 2016, Pentoli Sdn. Bhd. on 31 January 2017 and Ni Hsin Marketing Sdn. Bhd. on 23 October 2017.

Mr Khoo is an Accountant by training. He began his career with Messrs. BDO Binder in 1979 as an Audit Assistant and was subsequently promoted as an Audit Senior in 1980. He left Messrs. BDO Binder and subsequently joined United Industries group of companies as an Internal Auditor in 1981. While he was with United Industries group of companies, he was seconded to its subsidiaries holding various finance related positions. He joined Kopenda Holdings Sdn. Bhd. as Financial Accountant in 1984, Innovest Hart Engineering Sdn. Bhd. as the Finance Manager in 1988 and Lyman Group of Indonesia as the Head of Corporate Finance and Business Development Department in 1990.

Mr Khoo gained wide business and financial experience in both the domestic and international market place from his previous employments, he started the Kyeros Kebab business in 1997 which soon grew into an international fast food chain. Kyeros Kebab then merged with CAB Cakaran Corporation Group Berhad ("CAB") and was listed in the Bursa Malaysia Stock Exchange in 2003. He was an Executive Director of CAB from 2003 to 2006.

Mr Khoo is a major shareholder of the Company. He is not a Director in any other public company and listed issuer in Malaysia. He does not have any family relationship with any Director and/or other major shareholder of the Company, nor does he have any conflict of interest with the Company. He has not been convicted of any offences (other than traffic offences, if any), within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year except for the following:

a) On 14 October 2019, in his tenure as a Director of Kyeros Capital Sdn. Bhd., he was compounded by the Companies Commission of Malaysia for a total sum of RM5,000.00 for breach of Section 259(1)(a) of the Companies Act 2016 being failure to lodge the financial statements and reports for the financial year 2018 within 30 days from the date of circulation to members of Kyeros Capital Sdn. Bhd.; and

b) On 15 October 2019, in his tenure as a Director of Lucrative Value Sdn. Bhd., he was compounded by the Companies Commission of Malaysia for a total sum of RM5,000.00 for breach of Section 259(1)(a) of the Companies Act 2016 being failure to lodge the financial statements and reports for the financial year 2018 within 30 days from the date of circulation to members of Lucrative Value Sdn. Bhd..

LIM KAM TEN
Marketing Director
Ni Hsin Corporation Sdn. Bhd. and Ever-Grow Advanced Materials Sdn. Bhd.

Lim Kam Ten, a Malaysian, aged 47, male, graduated from Takushoku University in Japan with a Degree in Bachelor of Arts in Commerce. He joined Ni Hsin Corporation Sdn. Bhd. in 1999 as an Assistant Officer in Sales & Marketing Department, in charge of the market development and customer service for Japan and Asian countries in respect of cookware.

Recognised for his outstanding performance, he was promoted to the position of Business Development Executive in February 2004 and subsequently on 1 September 2006, he was promoted as Market Development Manager.

In 2014, Mr Lim was also tasked with the sales and marketing of convex mirrors and clad metals in Ever-Grow Advanced Materials Sdn. Bhd.. During his tenure of service, he has successfully developed major customers and/or markets for stainless steel cookware, convex mirror, non-stick cookware and clad metal products. On 1 February 2020, he was promoted as Marketing Director to oversee the Group's marketing activities.

Mr Lim does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Company. He is not a Director in any other public company and listed issuer in Malaysia. He has not been convicted of any offences (other than traffic offences, if any), within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT PROFILE
(continued)

CHIA HOON ANG
Quality Management Manager
Ni Hsin Corporation Sdn. Bhd. and Ever-Grow Advanced Materials Sdn. Bhd.

Chia Hoon Ang, a Malaysian, aged 44, female, joined Ni Hsin Corporation Sdn. Bhd. in 1999 as an Assistant Officer immediately after her graduation from University Putra Malaysia with Bachelor of Science.

She obtained further qualification as a Lead Auditor from Authorised Registered Authority in 2000. She gained vast experience in multi disciplines working in various positions in Quality Assurance, Document Control Center, and as Secretary to the General Manager.

Ms Chia was actively involved in several main projects in Ni Hsin Corporation Sdn. Bhd. which included re-organising the operations in the Quality Assurance ("QA") Section in 2004 and shop-floor re-engineering in 2005. She was promoted to QA Manager in 2007. On 1 January 2017, she was appointed as the Head of QA to oversee the functions of the Quality Management System, Quality Assurance and Production Engineering. On 1 October 2019, she was tasked with the QA of convex mirror and clad metals in Ever-Grow Advanced Materials Sdn. Bhd..

She was also appointed as the Chairman of the Safety & Health Committee for the period from 2009 to 2011 and Employee Welfare and Sports (EWS) Chairman for year 2012. She is also a First Aid Team member since 2012.

Ms Chia does not have any family relationship with any Director and/or major shareholder of the Company, nor does she have any conflict of interest with the Company. She is not a Director in any other public company and listed issuer in Malaysia. She has not been convicted of any offences (other than traffic offences, if any), within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

HOO YOKE FONG
Human Resources and General Affairs Manager
Ni Hsin Corporation Sdn. Bhd. and Ever-Grow Advanced Materials Sdn. Bhd.

Hoo Yoke Fong, a Malaysian, aged 47, female, joined Ni Hsin Corporation Sdn. Bhd. in 1991 as Production Assistant after completing her secondary studies. In 1992, she was promoted from Junior Secretary to Factory Manager. With her initiative and astute learning capability, she accumulated various experience and skills in production, secretarial, purchasing and human resource functions. She was appointed as Secretary to the General Manager in 1996. Capitalising on her multi-skills, she took on the position of Human Resource and General Affairs Executive in 2001. She obtained a Diploma in Business Administration from the Institute of Business Administration and Management through her part-time studies in the same year. Ms Hoo was promoted to her current position of Human Resource and General Affairs Manager on 1 May 2012.

She was awarded with the Best Employee and Perfect Attendance accolades throughout her years of service with the Group. She was appointed as the Safety & Health Committee Chairman for the period from 2012 to 2014.

Ms Hoo does not have any family relationship with any Director and/or major shareholder of the Company, nor does she have any conflict of interest with the Company. She is not a Director in any other public company and listed issuer in Malaysia. She has not been convicted of any offences (other than traffic offences, if any), within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

PHUAH YEW HOCK
Management Information System Manager
Ni Hsin Corporation Sdn. Bhd. and Ever-Grow Advanced Materials Sdn. Bhd.

Phuah Yew Hock, a Malaysian, aged 46, male, graduated with a Diploma in Information Technology from Informatics College. He joined the Group in 2000 as Management Information Senior Officer and was promoted to Management Information System Manager on 1 February 2001.

He has more than ten (10) years of experience in system design, system analysis, system integration and Enterprise Resource Planning project implementation. Prior to joining the Group, he worked in Bristol Trading Sdn. Bhd. as an Assistant Information Technology (IT) Manager, where he was responsible for the overall IT project implementation and technical support.

Mr Phuah is also a member of the Emergency & Evacuation Team Member since year 2009.

He does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Company. He is not a Director in any other public company and listed issuer in Malaysia. He has not been convicted of any offences (other than traffic offences, if any), within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT PROFILE
(continued)

LOW MENG CHAI
Factory Manager
Ni Hsin Corporation Sdn. Bhd.

Low Meng Chai, a Malaysian, aged 44, male, graduated with an Advanced Diploma in Business Administrative from Amset Institute. He joined Ni Hsin Corporation Sdn. Bhd. in 1998 as a System Analyst in Management Information System department where he developed skills in computer system maintenance, manufacturing management from initial stage of forecast until the output operation of production system and implementation. Due to his capable performance, he was transferred to the Factory Department as Production Controller in 2001 and was promoted to Material Control Executive in 2013. His excellent dedication and performance in carrying out his duties and responsibilities earned him a promotion to Production Control Executive in March, 2005.

Mr Low diligently worked his way through the ranks and was promoted as Factory Manager in May 2012. He was also appointed as the Chairman of the Safety & Health Committee for years 2015 and 2016.

He does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Company. He is not a Director in any other public company and listed issuer in Malaysia. He has not been convicted of any offences (other than traffic offences, if any), within the past 5 years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

YEO BOON KWONG
Assistant Production Manager
Ever-Grow Advanced Materials Sdn. Bhd.

Yeo Boon Kwong, a Malaysian, aged 41, male, graduated from Tunku Abdul Rahman College with a Degree in Information System Engineering. He joined Ni Hsin Corporation Sdn. Bhd. in 2001 as Management Information System Assistant and in 2005, he was transferred to Ever-Grow Advanced Materials Sdn. Bhd. as Production Control Officer.

Mr Yeo had accumulated more than ten (10) years' experience in the production function and in 2017, he was promoted to the position of Assistant Production Manager to lead the clad metal and convex mirror production department. Besides that, he is also overseeing the inventory management and purchasing of raw materials. Mr Yeo is a member of the Safety & Health Committee and also an Emergency & Evacuation Team Member.

He does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Company. He is not a Director in any other public company and listed issuer in Malaysia. He has not been convicted of any offences (other than traffic offences, if any), within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

HAMDAN BIN ESA
Technical Manager
Ni Hsin Corporation Sdn. Bhd.

Hamdan Bin Esa, a Malaysian, aged 48, male, joined Ni Hsin Corporation Sdn. Bhd. in 1991 as Machine Operator. Due to his potential and capable performance, he has progressed from the position of Drawing Technician through Technical Leader and Section Leader in Forming Section, Technical Coordinator, Assistant Engineer to Production Engineer. With his technical knowledge and intensive experience gained in the technical field, he was awarded with the Best Technical Staff in 1999. Encik Hamdan is now leading the Production Engineering Team and contributing to the enhancement of the production performance and effectiveness of Ni Hsin Corporation Sdn. Bhd..

In July 2018, Encik Hamdan was promoted to Technical Manager and was tasked to extend his support and leadership to Ever-Grow Advanced Materials Sdn. Bhd.'s Technical Team for convex mirror and clad metal production in the technical and related engineering processes troubleshooting and improvement aspect.

He does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Company. He is not a Director in any other public company and listed issuer in Malaysia. He has not been convicted of any offences (other than traffic offences, if any), within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**the Board**") of Ni Hsin Resources Berhad ("**NHR**" or "**the Company**") is pleased to present its Corporate Governance Overview Statement ("**Statement**") for the financial year 2019 based on the principles and guidance as set out in the Malaysian Code on Corporate Governance ("**MCCG**") issued by Securities Commission in April 2017.

This Statement is prepared in compliance with Paragraph 15.25(1) of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and guided by Practice Note 9 of the MMLR of Bursa Securities and the Corporate Governance Guide (3rd edition) issued by Bursa Malaysia Berhad. This Statement should also be read together with the Corporate Governance Report 2019 of the Company ("**CG Report**") which is available on NHR website: www.ni-hsin.com as well as via an announcement on the website of Bursa Securities and in conjunction with the other statements in the Annual Report (e.g. Statement on Risk Management and Internal Control, Audit and Risk Management Committee ("**ARMC**") Report and Sustainability Statement) as the application of certain governance enumerations may be more evidently expressed in the context of the respective statements.

The CG Report provides details on how the Company has applied each Practice as set out in the MCCG during the financial year 2019.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

a. Board of Directors

The Group is headed by an experienced and effective Board. The Board assumes overall responsibility in leading the strategic direction, future expansion, corporate governance, risk management, human resource planning and development, investments made by the Company and overseeing the proper conduct of business of the Group.

In discharging its duties, the Board delegates certain of its responsibilities to the Board Committees, namely ARMC, Nomination Committee ("**NC**") and Remuneration Committee ("**RC**") which operate within defined Terms of Reference ("**TOR**"). The Chairman of the respective Board Committees report to the Board on key matters deliberated at the respective Board Committee meetings and make recommendations to the Board for final decision, where necessary.

b. Separation of Position of Chairman and Chief Executive Officer

The Company does not have a Chief Executive Officer, the Board was assisted by two (2) Executive Directors. The Chairman is an Independent Non-Executive Director who is responsible for overseeing the effective discharge of the Board's supervisory role emphasising on governance and compliance while the Executive Directors are responsible for the day-to-day operation of the Group's business. The role of the Chairman and Executive Directors are distinct and separate to engender accountability and facilitate clear division of responsibilities to ensure there is a balance of power and authority in the Company.

c. Company Secretaries

The Board is supported by two (2) qualified and competent Company Secretaries. The Board has direct access to the advice and services of the Company Secretaries. The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, Board's policies and procedures, corporate governance and compliance with the relevant regulatory requirements and legislations.

d. Board Meeting

The Board conducts at least five (5) meetings in each financial year. An annual meeting calendar is prepared and circulated to the Directors before the beginning of each year to help the Directors to plan their schedule ahead. Additional meetings are also held as and when required. Board and Board Committees papers prepared by the Management provide the relevant facts and analysis for the Directors' information. The meeting agenda, the relevant reports and Board papers are furnished to the Directors and Board Committee members at least five (5) business days before the meeting to allow the Directors sufficient time to read them for effective discussion and decision making at the meetings.

The breakdown of the Directors' attendance at the Board and Board Committees meetings during the financial year 2019 is set out below:-

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1 Board Responsibilities (continued)

d. Board Meeting (continued)

Name	Board	ARMC	NC	RC
Sofiyan Bin Yahya *Independent Non-Executive Chairman*	4/5	4/5	2/2	1/1
Rizvi Bin Abdul Halim *Executive Director*	5/5	NA	NA	NA
Ng Shwu Ching *Executive Director*	5/5	NA	NA	NA
Datin Ida Suzaini Binti Abdullah *Non-Independent Non-Executive Director*	5/5	NA	NA	NA
Datuk Tan Choon Hwa *Independent Non-Executive Director*	4/5	NA	NA	NA
Leow Chan Khiang *Independent Non-Executive Director*	5/5	5/5	2/2	1/1
Rithauddin Hussein Jamalatiff Bin Jamaluddin *Independent Non-Executive Director* *(Resigned on 5 March 2020)*	5/5	5/5	2/2	1/1

The minutes of meetings of Board and Board Committees will be circulated to all Directors and Board Committee members for review and comments within a reasonable timeframe prior to the Chairman's confirmation at the next Board and Board Committees meeting.

e. Board Charter

The Company has established a Board Charter to promote high standards of corporate governance which is designed to provide guidance and clarity to Directors and the management with regards to the role of the Board and its Committees. The Board Charter clearly sets out the key values and principles of the Company and further sets out the duties and responsibilities of the Board, the Chairman, the Executive Directors, the Independent Director and the Board Committees.

The Board Charter is reviewed annually by the Board to ensure it complies with legislations and best practices, and remains effective and relevant to the Board's objectives. The Board has a formal schedule of matters reserved for the deliberation of the Board.

The Board Charter is available at the Company's website.

f. Code of Conduct

The Company has set out a Code of Conduct for Directors, officers and employees of the Group to promote an environment of integrity and engender ethical behaviour within the Group.

The Code of Conduct is available at the Company's website.

g. Whistle Blowing Policies and Procedures

The Company has established the Whistle Blowing Policies and Procedures ("**WPP**") which serves as a guide to employees or any external party to report any breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines, in a safe and confidential manner.

The WPP outlines the relevant procedures such as when, how and to whom a concern may be properly raised about the genuinely suspected or instances of wrongdoing at the Company and its subsidiaries.

The WPP is available at the Company's website.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2 Board Composition

a. Composition and Diversity

The Board is well balanced, comprising experienced businessmen and qualified professionals of diverse knowledge, skill, extensive experience and expertise in areas such as strategic planning, business development, finance, corporate affairs, marketing and operations.

The Board currently has six (6) members, comprising three (3) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and two (2) Executive Directors. This complies with Paragraph 15.02(1) of the MMLR of Bursa Securities which requires at least two (2) or one-third (1/3) of the Board of the Company, whichever is higher, are Independent Directors. The Board also complied with Practice 4.1 of MCCG that at least half of the Board is comprised of Independent Directors. There is approximately 28% women representation on the Board for financial year 2019.

b. NC Composition

The role of the NC is to assist the Board in ensuring that the Board comprises individuals with the requisite skills, knowledge, professional expertise and character.

The NC comprises exclusively Non-Executive Directors who are independent. Currently, the members are as follows:-

Sofiyan Bin Yahya (Chairman)
Leow Chan Khiang (Member)
Rithauddin Hussein Jamalatiff Bin Jamaluddin (Member) (Ceased on 5 March 2020)

The Board does not consider it is necessary to appoint a Senior Independent Director as all current members of the Board are always available and issues are discussed openly in Board meetings.

c. Tenure of Independent Director

The Board will justify and seek shareholders' approval in the event it retains an Independent Director who has served in that capacity for a cumulative period of more than nine (9) years.

As at the date of this statement, none of the Independent Directors has served the Company beyond nine (9) years.

d. Appointment to the Board

The NC will identify and recommend candidates to the Board if there is any vacancy arising from resignation, retirement or any other reasons or if there is a need to appoint additional Director with the required criteria based on recommendation from existing Directors, Senior Management or major shareholders.

The NC will review the suitability of candidates based on skills, knowledge, character, integrity, expertise and experience, competency, commitment (including time commitment) and where appropriate, the independence of candidates for appointment as Independent Non-Executive Directors.

The assessment of the Independent Directors is in accordance with the criteria as set out in the Board Charter and MMLR of Bursa Securities.

e. Re-election of Directors

In accordance with the Company's Constitution, an election of Directors shall take place each year at an Annual General Meeting ("**AGM**") and one-third (1/3) of the Directors are subject to retirement by rotation, in any event, each Director shall retire from office once in every three (3) years. The Directors to retire in each year are the Directors who have been longest in office since their last appointment or re-election. The Directors appointed by the Board during the financial year are subject to retirement at the next AGM held following their appointments in accordance with the Company's Constitution. All retiring Directors are eligible for re-election. The re-election of each Director is voted on separate resolution during the AGM of the Company.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2 Board Composition (continued)

e. Re-election of Directors (continued)

Based on the schedule of rotation, the following Directors are subject to retirement by rotation pursuant to the Company's Constitution at the forthcoming Sixteenth AGM:-

(1) Datin Ida Suzaini Binti Abdullah; and
(2) Ms Ng Shwu Ching.

Ms Ng Shwu Ching has expressed her intention to seek for re-election at the forthcoming Sixteenth AGM while Datin Ida Suzaini Binti Abdullah has expressed her intention not to seek for re-election at the forthcoming Sixteenth AGM and shall retire at the conclusion of the Sixteenth AGM.

f. Annual Evaluation

The assessment criteria of the Board and Board committees include an evaluation of the size and composition of the Board and Board committees, access to information, accountability, processes, performance of the Board and Board committees in relation to discharging its principal responsibilities, communication with Management and standards of conduct by the Directors and committee members.

The internally facilitated evaluation process is led by the NC Chairman who is an Independent Director and supported by the Company Secretaries. The evaluation process is conducted via questionnaires to review the effectiveness of the Board and its committees, and based on self-review and peer assessment. The NC reviews the outcome of the assessment and report to the Board, in particular, areas for improvement and also used as the basis of recommending relevant Director for re-election at the AGM.

g. Professional Development of Directors

All Directors have successfully completed the Mandatory Accreditation Programme. The NC and Directors will continue to identify and attend appropriate seminars, conferences and courses to keep abreast of changes in market, legislations and regulations affecting the Group. The Directors are also committed to continue to undergo other relevant training programmes and seminars whether in-house or external to keep abreast with the developments of the business environment and further enhance their skills and knowledge.

During the financial year 2019, the Directors have attended various training programmes and seminars, amongst others, the following:-

- Sustainability – What Directors Need To Know
- Overview of MFRS 15

The Company Secretaries circulated the relevant guidelines on statutory and regulatory requirements from time to time and update the Board on the same at Board meetings. The external auditors also briefed the Board members on any current and future changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements.

h. NC's Activities

During the financial year under review, the activities undertaken by the NC include:-

a) Assessed and was satisfied with the effectiveness of the Board as a whole and the Board committees and the contribution of each Director.

b) Reviewed and was satisfied with the mix of skills, knowledge, expertise and experience, composition and size of the Board in terms of gender, ethnicity and age.

c) Assessed the independence of Independent Directors and concluded that the Independent Directors are independent and have complied with the criteria of independence as set out in MMLR of Bursa Securities.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2 Board Composition (continued)

h. NC's Activities (continued)

d) Assessed and was satisfied with the character, experience, integrity, competence and time commitment of Directors.

e) Reviewed the term of office and performance of the ARMC and each of its members and concluded that the ARMC and each of its members have carried out their duties and responsibilities.

f) Evaluated the performance of Encik Rizvi Bin Abdul Halim and Mr Leow Chan Khiang and recommended their re-election at the Fifteenth AGM of the Company to the Board.

g) Reviewed the Directors' training programme for the financial year ended 31 December 2018.

h) Reviewed and recommended to the Board the Directors and Senior Management Succession Plans.

i) Reviewed and recommended to the Board the TOR of the NC in alignment with the MCCG and MMLR of Bursa Securities.

3 Remuneration

The RC currently comprises the following members:-

Sofiyan Bin Yahya (Chairman)
Leow Chan Khiang (Member)
Rithauddin Hussein Jamalatiff Bin Jamaluddin (Member) (Ceased on 5 March 2020)

The RC is responsible for recommending the remuneration framework and policy as well as the remuneration package of the Executive Directors to ensure rewards commensurate with their contributions to the profit and growth of the Group. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken.

Ms Ng Shwu Ching, the Executive Director of the Group and the Company, is an employee of the Group. During the financial year under review, the Group paid salaries (inclusive contributions to state plans) of RM577,000 and benefits-in-kind of approximately RM24,000 for her services.

Details of the remuneration of Directors (both the Group and the Company) who served during the financial year ended 31 December 2019 are as follows:-

The Group

Name	Fees (RM'000)	Meeting Allowance (RM'000)	Salaries (RM'000)	Bonus (RM'000)	Other emoluments (RM'000)
Rizvi Bin Abdul Halim	90	-	-	-	-
Datin Ida Suzaini Binti Abdullah	36	-	-	-	-
Sofiyan Bin Yahya	60	-	-	-	-
Datuk Tan Choon Hwa	36	-	-	-	-
Leow Chan Khiang	42	-	-	-	-
Rithauddin Hussein Jamalatiff Bin Jamaluddin	36	-	-	-	-

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

3 Remuneration (continued)

The Company

Name	Fees (RM'000)	Meeting Allowance (RM'000)	Salaries (RM'000)	Bonus (RM'000)	Other emoluments (RM'000)
Rizvi Bin Abdul Halim	90	-	-	-	-
Datin Ida Suzaini Binti Abdullah	36	-	-	-	-
Sofiyan Bin Yahya	60	-	-	-	-
Datuk Tan Choon Hwa	36	-	-	-	-
Leow Chan Khiang	42	-	-	-	-
Rithauddin Hussein Jamalatiff Bin Jamaluddin	36	-	-	-	-

There is no separate disclosure on the remuneration of the Senior Management as the Executive Directors are the Senior Management and have been disclosed as above and on page 95 of the Annual Report.

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. ARMC

During the financial year under review, the ARMC comprises three (3) Independent Non-Executive Directors. The Chairman of the ARMC is not the Chairman of the Board, ensuring that the impairment of objectivity on the Board's review of the ARMC's findings and recommendation remains intact. The ARMC assesses the performance (including independence) and recommends to the Board annually the appointment or re-appointment of the external auditors guided by the factors as prescribed under Paragraph 15.21 of the MMLR of Bursa Securities. The external auditors confirmed that they are and have been independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

Throughout the ARMC, the Board maintains a transparent relationship with the external auditors in seeking professional advice on the internal control and ensuring compliance with the appropriate accounting standards.

The TOR of ARMC sets out its rights, duties, responsibilities and criteria on the composition of ARMC, which includes former key audit partner of the Group to observe cooling-off period of at least two (2) years before being able to be appointed as member of ARMC.

The NC reviews the composition of the ARMC annually and recommends to the Board for approval ensuring that only Independent Non-Executive Directors who are financially literate and have the required knowledge, skill and experience are considered for membership of ARMC.

The composition of the ARMC, including its roles and responsibilities, number of meetings and attendance of ARMC, summary of ARMC activities and Internal Auditors' activities during the financial year under review are set out in ARMC Report of the Annual Report 2019.

2. Risk Management and Internal Control Framework

The Board acknowledges the significance of a sound system of risk management and internal control to manage the overall risk exposure of the Group. The Group has an internal audit function which is outsourced to IBDC (Malaysia) Sdn. Bhd. and reports directly to the ARMC. Details of the internal audit function together with the staffs of the Group's internal control are set out in the Statement on Risk Management and Internal Control and ARMC Report of the Annual Report 2019. The Board affirms its overall responsibility with established and clear functional responsibilities and accountabilities which are carried out and monitored by the Risk Management Working Committee ("RMWC"). RMWC reports directly to the ARMC. The adequacy and effectiveness of the internal controls and risk management framework were reviewed by the ARMC. The Board is satisfied with the performance of the RMWC and ARMC in discharging their responsibilities in accordance with their TOR.

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

2 Risk Management and Internal Control Framework (continued)

The Board obtained assurance from the Executive Director (who is in charge of Financial and Corporate Affairs) and the Managing Director of the major subsidiaries of the Company that the internal control and risk management framework are adequate and effective in all material aspects. The details of the Risk Management and Internal Control Framework are described in the Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Communication with Stakeholders

The Board has formalised a Corporate Disclosure Guide to ensure that communication with stakeholders is executed in a timely, concise and transparent manner through announcements via Bursa LINK, on NHR's website and the media.

The Company has put in place a Code of Conduct on confidentiality to ensure that confidential information is handled properly by Directors, employees and relevant parties to avoid leakage and improper use of such information. The Board is mindful that information which is expected to be material must be announced immediately.

Members of Senior Management are directly involved in investor relations through investor briefings with financial analysts, institutional shareholders and fund managers.

2. Conduct of General Meetings

The Company's AGM is the principal forum for dialogue with its shareholders, as it provides shareholders the opportunity to ask questions about the resolutions being proposed or about the Group's operations in general. The Share Registrar is available to attend to matters relating to shareholders' interests. At the Fifteenth AGM, majority of Directors comprising the Chair of all the respective Board Committees were present in person to engage directly with and be accountable to the shareholders for their stewardship of the Company. The Directors and external auditors were in attendance to respond to the shareholders' queries.

Extraordinary General Meetings ("EGM") are held as and when required. When an EGM is held to obtain shareholders' approval on certain business or corporate proposals, comprehensive circulars to shareholders will be sent within prescribed deadlines in accordance with regulatory and statutory provisions.

Notice of the Fifteenth AGM and Annual Report were sent out to shareholders more than twenty-eight (28) days before the date of the Fifteenth AGM. The voting at the Fifteenth AGM was conducted by way of poll and an independent scrutineer was appointed to validate the votes cast.

FOCUS AREA ON CORPORATE GOVERNANCE

Corporate governance was clearly imperative for the Group in the year 2019 against the backdrop of regulatory changes in the domestic corporate governance realm and a relatively challenging economic environment that is characterised by volatile market conditions and commodity prices. Against the aforementioned setting, during the financial year under review, the Board directed its focus on the core duties of the Board which is grounded on the creation of long-term value for stakeholders.

In light of the improvements in the corporate governance regulations, the Board has reviewed and updated its existing policies and procedures to ensure they are kept contemporaneous whilst equally kept relevant to the Company's needs. The Board will look into the enhancements or developments of corporate governance policies and procedures, as the case may be.

This Statement was approved by the Board of Directors of NHR on 18 May 2020.

ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

1.1 UTILISATION OF PROCEEDS

There were no proceeds raised from any corporate proposal during the financial year ended 31 December 2019.

1.2 AUDIT FEE AND NON-AUDIT FEES

During the financial year, the amount incurred by the Company and by the Group in respect of audit fees and non-audit related fees for services rendered by the external auditors are as follows:-

	Company (RM'000)	Group (RM'000)
Audit services	30	146
Non-audit services	21	51
Total	**51**	**197**

The non-audit services comprised the following assignments:-

a) Review of the Statement of Risk Management and Internal Control
b) Tax compliance services
c) Review of oversea subsidiaries management accounts for the financial year ended 31 December 2019

1.3 MATERIAL CONTRACTS

There were no material contracts or loans entered into by the Group involving interests of Directors, Chief Executives and major shareholders, either still subsisting at the end of the financial year ended 31 December 2019 or entered into since the end of the previous financial year.

1.5 REVALUATION POLICY ON LANDED PROPERTIES

During the financial year, the Group elected to measure the landed properties using the revaluation model under Malaysian Financial Reporting Standards (MFRS) 116 Property, Plant and Equipment.

The Group revalues its property comprising freehold land and factory buildings every five (5) years or at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value. The latest revaluation was carried out in December 2016.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors is pleased to present the report of the Audit and Risk Management Committee ("**ARMC**") for the financial year ended 31 December 2019.

1. MEMBERS

The members of ARMC are Non-Executive Directors with all of them being Independent Directors.

During the financial year ended 31 December 2019, the ARMC held a total of five (5) meetings. The members of the ARMC together with their attendance are set out below:-

Name	Position	Attendance
Leow Chan Khiang	Chairman (Independent Non-Executive Director)	5/5
Rithauddin Hussein Jamalatiff Bin Jamaluddin ^	Member (Independent Non-Executive Director)	5/5
Sofiyan Bin Yahya	Member (Independent Non-Executive Director)	4/5
Datuk Tan Choon Hwa #	Member (Independent Non-Executive Director)	NA

^ *Ceased as member of ARMC following his resignation as an Independent Non-Executive Director of the Company on 5 March 2020.*
\# *Appointed as a member of ARMC on 19 June 2020.*

Mr Leow Chan Khiang, who is the Chairman of the ARMC, is a Fellow Member of the Association of Chartered Certified Accounts and a Chartered Accountant with the Malaysian Institute of Accountants. The ARMC, therefore, meets the requirements of Paragraph 15.09(1) of the MMLR of Bursa Securities.

All members of the ARMC are financially literate and are able to analyse and interpret financial statements to effectively discharge their duties and responsibilities as member of ARMC.

The Terms of Reference of the ARMC has been drawn up and approved by the Board and is available online in the Investor Relations section of the Company's website at www.ni-hsin.com.

2. SUMMARY OF WORK OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

During the financial year ended 31 December 2019 and in line with the Terms of Reference, the ARMC carried out the following works in discharging its function and duties:-

2.1 Financial Reporting

a) reviewed the unaudited quarterly reports and the annual audited financial statements of the Group and the Company including the announcements pertaining thereto prior to submission to the Board for consideration and approval; and

b) monitored the compliance requirements in line with the new updates of Bursa Securities, Securities Commission Malaysia, Malaysian Accounting Standards Board and other legal and regulatory bodies.

2.2 Related Party Transactions and Conflict of Interest

a) reviewed the related party transactions or conflict of interest situation whenever it arises on a quarterly basis to ascertain that the review procedures established to monitor the related party transactions or conflict of interest situation have been complied with.

2.3 External Audit

a) met with the external auditors during the year to review the external auditors' independence, scope of work and the audit plan, their audit fees, the results of their examination in the external audit reports and management's responses, as well as weaknesses in the internal control;

b) reviewed the audit recommendations and representations made and corrective actions taken by Management in addressing and resolving issues as well as ensuring that all issues were adequately addressed on a timely basis;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(continued)

2. SUMMARY OF WORK OF THE AUDIT AND RISK MANAGEMENT COMMITTEE (CONTINUED)

2.3 External Audit (continued)

c) monitored the implementation of mitigating measures by Management on outstanding issues to ensure all key risks and control weaknesses are properly addressed;

d) met with the external auditors on the updates of new Malaysian Financial Reporting Standards ("MFRS") and the impact on the Group as well as new developments on regulatory requirements;

e) met with the external auditors (without the presence of the Management staff or any Executive Directors) for the financial year ended 31 December 2019 on the following dates:-
- 27 February 2019 to discuss audit findings for the financial year ended 31 December 2018; and
- 20 November 2019 to discuss Audit Plan and Strategy for the financial year ending 31 December 2019.

2.4 Internal Audit

a) met with the internal auditors to review and approve the Group's internal audit plan, scope of work and audit fees;

b) met with the internal auditors to review the internal audit reports and findings on the adequacy and effectiveness of the internal control and risk management framework as well as other compliance and governance processes;

c) met with the internal auditors (without the presence of the Management staff or any Executive Directors) for the financial year ended 31 December 2019 on the following dates:-
- 27 February 2019 to discuss the Internal Audit Strategy and Planning Memorandum for financial year ended 31 December 2019 and to discuss the internal audit findings;
- 30 May 2019 to discuss the internal audit findings;
- 21 August 2019 to discuss the internal audit findings;
- 20 November 2019 to discuss the internal audit findings; and

d) reviewed the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work.

2.5 Others

a) reviewed the ARMC Report, Statement on Risk Management and Internal Control, Corporate Governance Overview Statement, Corporate Governance Report and Corporate Sustainability Statement before submission to the Board for consideration and approval for inclusion in the Company's Annual Report for the financial year ended 31 December 2018.

3. TRAINING

During the financial year ended 31 December 2019, the ARMC Chairman and the members attended the following training programme to enhance their knowledge to enable them to discharge their duties more effectively:-

- Sustainability – What Directors Need to Know

4. INTERNAL AUDIT FUNCTION

The Group recognises that an internal audit function is essential in ensuring the effectiveness of the Group's system of internal control and is an integral part of the risk management process.

The Company has outsourced its internal audit function to a professional service firm, namely IBDC (Malaysia) Sdn. Bhd. ("**IBDC**") whose primary responsibility is to independently assess and report to the Board, through the ARMC, the systems of internal control of the Group. The internal audit functions are as set out in the Statement on Risk Management and Internal Control on pages 27 to 30 of the Annual Report.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(continued)

4. INTERNAL AUDIT FUNCTION (CONTINUED)

Details of the audit personnel from IBDC that carried out the internal audit work for the financial year ended 31 December 2019 are as follows:-

Name	Qualification & Accreditation
Wong Een Joon *Director-In-Charge*	• Member of Association of Chartered Certified Accountants (ACCA) • Member of Malaysia Institute of Accountants (MIA) • Associate Member of the Institute of Internal Auditors Malaysia (AIIA)
Bhavanpreet Kaur	• AIIA • Bachelor of Accounting (Hons.)
Tan Han Min	• AIIA • ACCA Affiliate • Bachelor of Commerce (Hons.)

During the financial year under review, the Internal Auditors carried out internal audit reviews based on an annual audit plan approved by the ARMC to assess the adequacy and integrity of the system of internal control as established by the Management, so as to provide reasonable assurance that:-

- the system of internal control continues to operate satisfactorily and effectively;
- assets and resources are safeguarded;
- integrity of records and information is protected;
- internal policies, procedures and standards are adhered to; and
- applicable rules and regulations are complied with.

The scope of work, as approved by the ARMC, was essentially based on the risk profiles of companies in the Group, where areas of higher risk were included for internal audit. The internal audit covered key operational, financial and compliance controls, including the risk management process deployed by Management. Audit findings and areas of concern that need improvements were highlighted in the internal audit reports and reviewed at the ARMC meetings. The relevant Management members were made responsible for ensuring that corrective actions on reported weaknesses were taken within the required timeframes. The Internal Auditors conducted follow-up audits on key engagement to ensure that the corrective actions were implemented appropriately. During the Board meetings, the Chairman of the ARMC briefed the Board on audit matters and the minutes of the ARMC meetings were duly noted by the Board.

The cost incurred in outsourcing of the internal audit function to an independent professional firm during the financial year amounted to approximately RM53,000 which included expenses.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors is pleased to present the following Statement on Risk Management and Internal Control of the Group for the financial year ended 31 December 2019 in accordance with the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers".

RESPONSIBILITY

The Board acknowledges the importance of maintaining a sound system of risk management and internal control to safeguard the shareholders' investments and the Group's assets. Accordingly, the Board affirms its responsibility for the Group's system of risk management and internal control and its commitment to review its effectiveness, adequacy and integrity. The Group's existing system of internal control includes financial, operational and compliance controls and risk management procedures. Due to the limitations that are inherent in any system of risk management and internal control, this system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. The Board also recognises that a sound system of risk management and internal control can only reduce but not eliminate the possibility of poor judgement in decision making, human error, control process being deliberately circumvented by employees, management overriding controls and the occurrence of unforeseeable circumstances. Accordingly, the system provides only reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

For the reporting period the Board has received assurance from the Managing Director of major subsidiaries and the Executive Director (who is in charge of Financial and Corporate Affairs) who are members of the Risk Management Working Committee ("RMWC") that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group. Following the review of the risk management and internal control system in accordance with the guidelines for directors on risk management and internal control, the Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Companies, it was decided that the functions of the RMWC shall come under the purview of the Audit and Risk Management Committee ("ARMC").

The ongoing process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies is further elaborated in the following paragraphs.

RISK MANAGEMENT

The Board and Management are mindful of measures required to identify risks residing in any major proposed transactions, changes in nature of activities or venturing into new operating environment.

The Group operates a risk management framework in which the Board assumes overall responsibility with established and clear functional responsibilities and accountabilities under two lines of defence for the management of risk.

The first line of defence of risk management activities were carried out by the Group's RMWC which comprises of Executive Directors and Corporate Head. The RMWC is currently chaired by Mr Khoo Chee Kong (Managing Director of major subsidiaries). As part of the Risk Management process, a Registry of Risk and a risk management policy was maintained during the period to identify principal business risks and updated for on-going changes in the risk profile. The risk management policy summarises risk management methodology, approach and processes, roles and responsibilities, and various risk management concept. The respective heads of departments are entrusted to identify risks and to ensure that adequate control systems are implemented to mitigate significant risks faced by the Group. Significant risk factors identified are reported to the Board for further elaboration and strategic decision making.

Key management staff and Heads of Department are delegated with the responsibility to manage risks of their respective areas of responsibilities. They are also responsible for creating a risk-awareness culture within the organisation to ensure greater understanding of the importance of risk management and that its principles are embedded in key operational processes. In the periodic management meetings, key risks and mitigating controls are deliberated. Significant risks affecting the Group's strategic and business plans are then escalated to the Board and discussed at their scheduled meetings.

The second line of defence is the Group's Internal Audit function, which is currently outsourced to an independent firm of professional internal auditors that reports directly to the ARMC. The ARMC provides independent assurance of the adequacy and reliability of the risk management processes and system of internal controls.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(continued)

INTERNAL AUDIT FUNCTION

The internal audit function is carried out in accordance with The International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The primary objective of the internal audit function is to carry out reviews of the internal control system to determine if the internal control procedures have been complied with as well as to make recommendations to strengthen the internal control system so as to foster a strong management control environment.

The Board is fully aware of the importance of the internal audit function and has outsourced this function to an independent professional service firm, namely IBDC (Malaysia) Sdn. Bhd. ("IBDC") to provide an independent assurance the Board requires on the effectiveness and efficiency of the Group's system of internal control.

Details of the audit personnel from IBDC that carried out the internal audit work for the financial year ended 2019 are as follow:

Name	Qualification & Accreditation
Wong Een Joon *Director-In-Charge*	• Member of Association of Chartered Certified Accountant (ACCA) • Member of Malaysia Institute of Accountants (MIA) • Associate Member of the Institute of Internal Auditors Malaysia (AIIA)
Bhavanpreet Kaur	• Bachelor of Accounting (Hons.) • AIIA
Tan Han Min	• Bachelor of Commerce (Hons.) • ACCA Affiliate • AIIA

The internal audit adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles from the comprehensive risk assessment of the specific business units of the Group. Scheduled internal audits are carried out by the internal auditors based on the annual internal audit plan presented to and approved by the ARMC. On a quarterly basis, the internal auditors present to the ARMC the internal audit reports which summarise the audit approach, scope, key risks, significant audit findings, the overall opinion for the internal control review, management comments on the audit findings and recommendations, and the follow-up review reports on the internal audit cycles previously conducted to confirm the actions taken by the management on the recommendations are appropriate. The cost of internal audit function for the financial year ended 31 December 2019 was approximately RM53,000, which included expenses.

The review of the adequacy and effectiveness of the internal control process has been undertaken by the internal audit function, and necessary actions have been taken to remedy significant failing or weaknesses identified for the financial year 2019.

THE SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL

The system is designed to manage the principal risks attributed to the Group's operations and due to the limitations that are inherent in any system, the Board takes cognizance that the system can only provide reasonable but not absolute assurance against material loss or misstatement.

The key elements of the Group's internal control system are as follows:-

- An organisational structure with defined responsibilities and delegation of authorities for Committees of the Board and Operational Committees;
- Company's Policies and Procedures, which set out the guidelines and expected standards for the Group's operations, are under regular review and update so as to maintain its effectiveness at all times;
- A strategic planning and an annual budgeting process has been established, whereby all key operating subsidiaries of the Group are required to prepare budgets and business plans for the coming year;
- Operational review meetings are held and attended by the Executive Directors and the department heads to assess the performance of the Group's operations;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(continued)

THE SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

- Monthly financial reporting by the subsidiaries to the holding company. Actual performance compared with budget is reviewed monthly with major variances being followed up and management action taken where necessary;

- Each department measures its performance against its business objectives and monitors the identified risks associated with the achievability of its objectives;

- The public releases of quarterly financial reports are made after the review by the ARMC and the approval of the Board;

- There are guidelines within the Group for hiring and termination of staff. Appointment of staff is based on the required level of qualification, experience and competency to fulfil their responsibilities. Training and development are provided for selected employees to enhance their competency in carrying out their responsibilities;

- A formal employee appraisal to evaluate and measure employee's performance and their competency is performed at least once a year;

- A centralised accounting and disbursement function ensures compliance with the procedures and approval authority;

- A co-ordinated procurement function for major purchases and maintenance expenditures that ensures adherence to approval procedures as well as to leverage on economies of scale;

- Regular production meetings, which involve the senior production management and related units to promptly address any production problems faced; and

- ISO 9001:2015 Quality Management System has been implemented for a subsidiary, Ni Hsin Corporation Sdn. Bhd. Documented internal procedures and standard operating procedures have been put in place and internal quality audits are carried out by the management and annual surveillance audits are conducted by a certification body to provide assurance of compliance with the procedures.

The key aspects of the risk management process are:

- The RMWC coordinates and oversees risk management activities across the Group;

- The RMWC will report to the Board significant risks that require the Board's attention;

- An enterprise risk assessment will be performed with inputs from Executive Directors and Heads of Departments;

- The RMWC maintains a Registry of Risk which is the identification and analysis of risks to the achievement of business objectives. A scoring of the risks is then performed based on the likelihood of the risks occurring and the evaluation of the consequence of the occurrence. This forms a basis for determining how risks should be managed. The Registry of Risk is updated on a half yearly basis, and when any material changes in risks are identified;

- The RMWC then deliberates and decides the risk response to the identified risks. The risk response could be to transfer, reduce, accept or avoid the risks. The residual risks are then tabled to determine whether it should be reported as a key issue or a supplemental issue where internal controls could be used to mitigate the risks;

- Heads of Departments will then monitor and review the key risks and report to the RMWC from time to time. Any significant change in existing risks with significant impact or the emergence on new risks will warrant an immediate reporting to the RMWC; and

- Key risks will be highlighted to the internal audit function to review and monitor proper controls are implemented and carried out to mitigate those risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(continued)

MONITORING AND REVIEW OF THE SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL

The existing system of risk management and internal control has operated effectively in the year under review and up to the date of issuance of this statement. Although control lapses were identified for certain business processes within the Group, there were no significant failures or weaknesses that has resulted in material loss that requires disclosure in the Group's annual report for the financial period under review. The Board is committed towards operating a sound system of risk management and internal control and will strive for continuous improvement where necessary, to further enhance the Group's system of risk management and internal control. The Board has reviewed the risk management and internal control system in accordance with the guidelines for directors on risk management and internal control, the *Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Companies.*

The Board is of the view that the system of risk management and internal control being instituted throughout the Ni Hsin Group is adequate and effective.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITOR

The external auditors have reviewed this Statement on Risk Management and Internal Control (the "Statement") pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 December 2019, and reported to the Board that nothing has come to their attention that cause them to believe that the Statement intended to be included in the annual report of the Group, in all material respects:

(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or

(b) is factually inaccurate.

APPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report of the Group will, in fact, remedy the problems.

CORPORATE SUSTAINABILITY STATEMENT

The Board of Directors ("Board") of Ni Hsin Resources Berhad ("NHR" or "the Company") is pleased to present this detailed Sustainability Statement ("Statement") which sets out the economic, environmental and social ("EES") risks and opportunities which are material to the business of NHR and its subsidiaries.

This Statement covers NHR and two of its subsidiaries, namely Ni Hsin Corporation Sdn. Bhd. ("NHC") and Ever-Grow Advanced Materials Sdn. Bhd. ("EGAM") located in Malaysia, collectively referred to as the "Group". Our business activities comprise of manufacturing and sale of multi-ply stainless steel cookware, multi-ply stainless steel clad metal and stainless steel convex mirror.

The Board is primarily responsible for the Group's sustainability practices and performance and is assisted by the ARMC, which in turn is supported by the Executive Directors and Management in managing sustainability related matters.

This Statement is prepared on a best effort basis and as we progress on our sustainability journey we would look into improving our reporting for the coming years.

OUR COMMITMENT TO SUSTAINABILITY

Sustainability has been core to the way we do business and an essential element of how we operate. We embrace a holistic approach to sustainability, which is focused on continuous improvement and meaningful positive EES impact through active engagement with both internal and external stakeholders. To ensure the effectiveness of our sustainability efforts a materiality assessment was carried out to identify the sustainability matters that are of priority to our organisation. The material sustainability matters identified are:-

- Product quality and Customer Satisfaction
- Corporate Governance and Ethical Behaviour
- Occupational Health and Safety
- Environmental Management

Product Quality and Customer Satisfaction

At NI HSIN we strive to provide reliable, innovative and user-friendly products. We also place high emphasis on ensuring effective communication with our customers and regularly conduct surveys to gather feedback from our customers in respect of our services, delivery, product quality, technical support and cost management.

We have an established system of Scorecard Review to monitor customers' feedback and opinions for NHC. The results are reported at management meetings where issues are deliberated and improvement plans, where necessary, are drawn up and subsequently implemented.

The table below shows the results of the survey for financial year 2018 ("FY2018") and financial year 2019 ("FY2019"):-

	FY2018	FY2019	Variance
Customer satisfaction	68.33%	77.50%	9.17%
Product performance	68.10%	73.93%	5.83%
Staff performance	81.00%	79.00%	(2.00%)

The results showed an improvement in product quality and customer satisfaction with a slight drop in staff performance in FY2019 as compared to FY2018. We take heed of the feedback and will strive to improve our staff performance especially in area of customer service and communication. Notwithstanding that, we will constantly review our quality control and production process to ensure the product quality and delivery are in line with the customers' requirements.

Corporate Governance and Ethical Behaviour

We strongly believe that good corporate governance and ethical practices are essential in building and maintaining a sustainable business, earning the trust and confidence of our customers, suppliers, business partners, employees and shareholders.

OUR COMMITMENT TO SUSTAINABILITY (CONTINUED)

Corporate Governance & Ethical Behaviour (continued)

Our business practices are governed by:

- Code of Conduct, which is applicable to directors, officers and employees of NI HSIN in their dealings with each other and all stakeholders of the Group; and
- Whistle Blowing Policies and Procedures.

Code of Conduct

This Corporate Code of Conduct ("Code") sets out the standards which the directors, officers and employees (together "Personnel") of NHR and its subsidiaries are expected to comply with in relation to the affairs of NHR's businesses when dealing with each other, shareholders and the broader community.

This Code is intended to focus on the Board and management on areas of ethical risk, provide guidance to personnel to help them to recognise and deal with ethical issues, provide mechanisms to report unethical conduct, and help to foster a culture of honesty and accountability.

The Code also sets out the prohibited activities or misconduct involving gifts, gratuities, bribes and corruption, insider trading and money laundering.

Whistle Blowing Policies and Procedures

The Company's Whistle Blowing Policies and Procedures ("WPP") promotes an environment of integrity and ethical behaviour within the Group.

The WPP provides an avenue for employees or any external party to report any breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines, in a safe and confidential manner.

Our policies, which can be viewed on our website at www.ni-hsin.com, are reviewed regularly to ensure they reflect any changes in legislative requirements and the business environment.

No cases of breaches in ethics and integrity practices were reported during the FY2019.

Occupational Health and Safety ("OHS")

Our ideal state is zero work-related illnesses and injuries and improved health and well-being for all employees. We uphold strong health, safety and security standards within NI HSIN's areas of operations, whether it is within NI HSIN's premises or offsite to reduce opportunities for health or safety hazards and prevent workplace fatalities.

To accomplish this, NI HSIN will:

- operate facilities safely and ensure that processes are safe and not detrimental to the health of our employees. We will accomplish this by following uniform corporate safety standards. Safe operations have been a long-standing part of NI HSIN culture, reflecting the belief that our employees are our most important asset;
- construct our facilities so as not to compromise on the safety and health features designed into them;
- monitor progress toward our objective of preventing injuries, illnesses, and incidents. We will continually assess and improve our safety and health technologies and programs;
- have every employee understand and be responsible for incorporating safe behaviour in daily business activities. Every employee is trained to work in a safe and healthy manner;
- have operating standards, practices, systems, and resources in place to implement this policy.

The Group's Safety and Health Policy sets out the Group's commitment towards the establishment and maintenance of an Occupational Safety and Health Management System which includes hazard identification, risk management and risk control processes, compliance to the relevant laws and regulations, prevention of occupational diseases, incidents and accidents and continual improvement. The Safety and Health Policy was last reviewed on 25 February 2020.

CORPORATE SUSTAINABILITY STATEMENT
(continued)

OUR COMMITMENT TO SUSTAINABILITY (CONTINUED)

Occupational Health and Safety ("OHS") (continued)

The safety practice and performance of each key business operations are governed and monitored by the Safety and Health Committee which consists of staff, supervisors or managers as well as personnel with qualified and competent safety and health experience and knowledge of the respective operating units. The Group has a process to review the occurrence of every recorded accident or incident to enable a continual improvement process for the Group's safety controls and procedures. The root causes for each injury case are inquired into and reported for further actions to be undertaken, which may include further improvements in safety controls, enhanced monitoring and disciplinary actions where misconduct has been determined as the cause of the accident.

For the financial year under review the Group's incidents record and safety and health programs and activities undertaken are as follows:

	Year	
Severity	**2018**	**2019**
Fatal	-	-
Major	3	2
Minor	2	6
Total Cases	**5**	**8**

Health, Safety and Security Events Table

	Year		
Events / Activities	**2018**	**2019**	**Participation**
World OSH Day Campaign	27/04/2018	-	All Employees
Emergency Evacuation Program	27/04/2018	-	All Employees
Safety & Health Meeting	Quarterly	Quarterly	SHC Committees
Safety Talk	Every week	Every week	All Employees
Noise Exposure & Audiometric Test	03/11/2018	07/12/2019	Production & Supporting Workers
SHC Workplace Inspection & Safety Tour	Quarterly	Quarterly	SHC Committee
Fire Extinguisher Renewal	Jan & Jul	Feb & Aug	EET & HR&GA
Machinery Maintenance	-	06/09/2019	-
Chimney Inspection	-	15/10/2019	Engineering
Smoke Fogging	Quarterly	Mar/Sep/Dec	Engineering/HR&GA
Training			
Forklift/Pallet Truck Safety & Operation Reinforcement	22 March & 1 October 2018	-	SHC Committees
Noise Exposure & Audiometric Test Result Briefing	8 & 9 January 2018	-	Selected Workers (work in noise area)
Safety & Health Internal Audit	-	06/07/2019	SHC Committees
Chemical safety and Spillage Control	-	30/11/2019	SHC Committees

CORPORATE SUSTAINABILITY STATEMENT
(continued)

OUR COMMITMENT TO SUSTAINABILITY (CONTINUED)

Environmental Management

Our Group is committed in managing our operations in an environmentally sustainable way incorporating the following measures:-

- Recycling of raw material wastage for re-use;
- Ensuring compliance to all relevant environmental legal and other requirements and raising environmental awareness among employees;
- Minimising air, water, land and noise pollution in the workplace and surroundings; and
- Integrating environmental and quality management systems together to strive for continual improvement.

Our cookware products are developed to be eco-friendly and efficient in heat distribution through the usage of our proprietary multi-ply stainless steel clad metals and our unique multi-stacking feature which allows for different food to be cooked simultaneously thus saving time and energy.

Our employees are also trained to practise other conservation measures like recycling of office stationery and paper, switching off the lights and air conditioners when not in use. We also send such items to a social welfare organisation which collects items for recycling or charity purposes.

Energy Efficiency

With the serious global warming phenomenon, environmental protection has become an important aspect of daily life. In response to this, NI HSIN has created a product to aide in the fight against global warming. With its thickness varied design, energy consumption can be reduced; with its even heat distribution, water usage can be reduced whilst still allowing for perfect cooking conditions. Last but not least, with a product made to last, it reduces manufacturing requirement thus reducing carbon emissions and unnecessary wastage.

Recycling of Raw Material

Stainless steel materials are recycled because they are valued and because most of them share the inherent quality of recyclability. Stainless steel scrap that is collected for recycling is a material that does not have to be managed as a waste. It is a valuable resource that is converted into value-added commodities. Recycled metal substitutes or displaces the necessity to mine new metal. In NI HSIN, we recycled all of our stainless steel. This is because stainless steel is made up of many raw materials, including iron, nickel, chromium, and molybdenum, which are in high demand. We utilise this additional income to compensate our employees via performance bonuses and other benefits.

ISO Certification

NHC is ISO 9001:2015 certified. This shows the commitment of the Group to ensuring high standards of business and corporate governance by embracing transparency, integrity, accountability and discipline in all activities of the Group.

Moving Forward

The Group will continue its efforts on improving its sustainability framework and assessment of the EES impacts in line with the guidelines of Bursa Malaysia Securities Berhad's Main Market Listing Requirements on sustainability reporting.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors is required under Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to issue a statement on its responsibility in the preparation of the annual audited financial statements.

The Board is responsible for ensuring that the financial statements are properly drawn up in accordance with the provisions of the Companies Act 2016 and applicable Malaysian Financial Reporting Standards ("MFRS") approved by the Malaysian Accounting Standards Board ("MASB") in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2019 and of the results and cash flows of the Group and the Company for the financial year then ended.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 31 December 2019, the Group and the Company have adopted suitable accounting policies in accordance with applicable MFRSs approved by the MASB in Malaysia and applied them consistently and reasonably.

This Statement is made in accordance with a resolution of the Board of Directors dated 18 May 2020.

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DIRECTORS' REPORT
for the year ended 31 December 2019

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2019.

Principal activities

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

Results

	Group RM'000	Company RM'000
Loss for the year attributable to:		
Owners of the Company	6,155	2,813

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the Board of Directors had on 12 February 2019 declared an interim single tier dividend via a share dividend distribution of up to 24,390,168 units of treasury shares on the basis of 1 treasury share for every 12 ordinary shares held in respect of the financial year ended 31 December 2019.

On 22 March 2019, a total of 24,389,364 treasury shares amounting to RM6,824,000 were distributed as share dividend and credited into the entitled shareholders' securities accounts maintained with Bursa Malaysia Depository Sdn. Bhd..

The Directors do not recommend any final dividend for the financial year ended 31 December 2019.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Ng Shwu Ching
Datin Ida Suzaini Binti Abdullah
Rizvi Bin Abdul Halim
Datuk Tan Choon Hwa
Leow Chan Khiang
Sofiyan Bin Yahya
Rithauddin Hussein Jamalatiff Bin Jamaluddin (Resigned on 5 March 2020)

Directors of the Subsidiaries

Pursuant to Section 253 of the Companies Act 2016, the Director of the subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year and during the period from the end of the financial year to the date of the Report is Khoo Chee Kong.

DIRECTORS' REPORT
for the year ended 31 December 2019 (continued)

Directors' interests in shares

The interests and deemed interests in the ordinary shares and warrants over shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares				
	At 1.1.2019	Bought	Dividend in specie	Sold	At 31.12.2019
Interests in the holding company:					
Datuk Tan Choon Hwa					
- own	1,888,000	1,500,000	282,332	-	3,670,332
Datin Ida Suzaini Binti Abdullah					
- own	285,000	-	23,750	(308,750)	-
Sofiyan Bin Yahya					
- own	2,600,000	550,000	216,666	-	3,366,666

	Number of warrants				
	At 1.1.2019	Bought	Granted	Sold	At 31.12.2019
Interests in the holding company:					
Datuk Tan Choon Hwa					
- own	-	-	1,835,166	-	1,835,166
Datin Ida Suzaini Binti Abdullah					
- own	-	-	154,375	(154,375)	-
Sofiyan Bin Yahya					
- own	-	-	1,408,332	-	1,408,332

None of the other Directors holding office at 31 December 2019 had any interest in the ordinary shares and options over shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

Treasury shares

The repurchased shares are held as treasury shares and carried at cost. The total treasury shares held at the financial year end is 4,443,536 (2018: 28,271,300) shares. The number of outstanding shares in issue after deducting treasury shares held at the financial year end is 317,071,374 (2018: 293,243,610) ordinary shares. Treasury shares have no rights to voting, dividends and participation in other distribution.

On 22 March 2019, a total of 24,389,364 treasury shares amounting to RM6,824,000 were distributed as share dividend to shareholders on the basis of 1 treasury share for every 12 ordinary shares held on 26 February 2019.

The details of shares repurchased during the financial year is disclosed in Note 13 to the financial statements.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issuance of warrants during the financial year.

In May 2019, the Company issued 158,535,265 free warrants on the basis of one (1) free Warrant for every two (2) ordinary shares of the Company. The Warrant is constituted by a Deed Poll dated 24 April 2019 and were listed on Bursa Malaysia Securities Berhad on 21 May 2019.

The main features of the Warrant are as follows:

i) Each Warrant will entitle its registered holder during the exercise period to subscribe for one (1) new ordinary share at the exercise price, which has been fixed at RM0.138 per share subject to adjustments in accordance with the provisions of the Deed Poll dated 24 April 2019 constituting the Warrant;

ii) The tenure of Warrant is for a period of three (3) years and may be exercised at any time on or after 21 May 2019. Warrant not exercised during the exercise period shall thereafter lapse and cease to be valid for any purpose; and

iii) The new ordinary shares to be issued arising from the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company, save and except that the new ordinary shares will not be entitled to any dividends, rights, allotments and/or other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the new ordinary shares arising from the exercise of the Warrants.

There were no warrants exercised since its issuance. The number of warrants unexercised at the end of the reporting period was 158,535,265. (2018: Nil)

Indemnity and insurance costs

During the financial year, there was no insurance effected for Directors, officers and auditor of the Company.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT
for the year ended 31 December 2019 (continued)

Other statutory information (continued)

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2019 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Significant events during and after the financial year end

The details of such events are disclosed in Note 27 to the financial statements.

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 19 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Rizvi Bin Abdul Halim
Director

.....
Ng Shwu Ching
Director

Selangor Darul Ehsan

Date: 18 May 2020

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2019

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Assets					
Property, plant and equipment	3	44,030	46,251	-	-
Investment property	5	1,225	1,252	1,225	1,252
Goodwill	6	5,105	5,105	-	-
Investments in subsidiaries	7	-	-	56,590	56,539
Deferred tax assets	8	4	-	-	-
Total non-current assets		50,364	52,608	57,815	57,791
Inventories	9	20,437	20,608	-	-
Other investments	10	9,946	11,967	9,946	11,967
Current tax assets		365	636	68	123
Right-of-use assets	4	102	-	-	-
Trade and other receivables	11	2,835	4,679	465	62
Cash and cash equivalents	12	11,148	12,888	8,832	10,032
Total current assets		44,833	50,778	19,311	22,184
Total assets		95,197	103,386	77,126	79,975
Equity					
Share capital	13	66,123	66,123	66,123	66,123
Reserves	13	20,385	26,614	10,823	13,781
Equity attributable to owners of the Company		86,508	92,737	76,946	79,904
Total equity		86,508	92,737	76,946	79,904
Liabilities					
Loans and borrowings	14	73	269	-	-
Deferred tax liabilities	8	2,989	3,835	-	-
Total non-current liabilities		3,062	4,104	-	-
Trade and other payables	15	3,948	5,059	180	71
Loans and borrowings	14	1,573	1,486	-	-
Lease liabilities		106	-	-	-
Total current liabilities		5,627	6,545	180	71
Total liabilities		8,689	10,649	180	71
Total equity and liabilities		95,197	103,386	77,126	79,975

The notes on pages 48 to 98 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2019

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Revenue	16	31,117	33,195	470	388
Cost of sales		(25,113)	(25,420)	-	-
Gross profit		6,004	7,775	470	388
Other income		653	6,889	35	6,078
Distribution expenses		(1,140)	(945)	-	-
Administrative expenses		(12,259)	(11,971)	(3,387)	(4,648)
Results from operating activities		(6,742)	1,748	(2,882)	1,818
Finance costs	17	(93)	(60)	-	-
Finance income		71	81	69	74
(Loss)/Profit before tax		(6,764)	1,769	(2,813)	1,892
Tax income/(expense)	18	609	396	-	(8)
(Loss)/Profit for the year	19	(6,155)	2,165	(2,813)	1,884
Other comprehensive income/(expense), net of tax:	20				
Revaluation of property - revision of tax rate		-	(763)	-	-
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		71	(4)	-	-
Other comprehensive income/(expense) for the year, net of tax		71	(767)	-	-
Total comprehensive (expense)/income for the year		(6,084)	1,398	(2,813)	1,884
(Loss)/Profit attributable to:					
Owners of the Company		(6,155)	2,167	(2,813)	1,884
Non-controlling interests		-	(2)	-	-
(Loss)/Profit for the year		(6,155)	2,165	(2,813)	1,884
Total comprehensive (expense)/ income attributable to:					
Owners of the Company		(6,084)	1,400	(2,813)	1,884
Non-controlling interests		-	(2)	-	-
Total comprehensive (expense)/ income for the year		(6,084)	1,398	(2,813)	1,884
(Loss)/Earnings per ordinary share (sen)					
Basic	21	(1.95)	0.74		
Diluted	21	(1.86)	0.74		

The notes on pages 48 to 98 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2019

	/---------- Attributable to owners of the Company ----------/										
	/---------- Non-distributable ----------/							Distributable			
Group	Share capital RM'000	Treasury shares RM'000	Fair value reserve RM'000	Translation reserve RM'000	Revaluation reserve RM'000	Share option reserve RM'000	Other reserve RM'000	Retained earnings/ (Accumulated losses) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2018	53,980	(7,002)	80	94	17,149	5,034	9,206	1,670	80,211	(93)	80,118
Foreign currency translation differences for foreign operations	-	-	-	(4)	-	-	-	-	(4)	-	(4)
Reclassification of financial assets from fair value through other comprehensive income to fair value through profit or loss	-	-	(80)	-	-	-	-	80	-	-	-
Revaluation of property – change of tax rate	-	-	-	-	(763)	-	-	-	(763)	-	(763)
Total other comprehensive expense for the year	-	-	(80)	(4)	(763)	-	-	80	(767)	-	(767)
Profit/(loss) for the year	-	-	-	-	-	-	-	2,167	2,167	(2)	2,165
Total comprehensive expense for the year	-	-	(80)	(4)	(763)	-	-	2,247	1,400	(2)	1,398
Contributions by and distributions to owners of the Company											
Own shares acquired	-	(922)	-	-	-	-	-	-	(922)	-	(922)
Cancellation of ESOS	-	-	-	-	-	(5,034)	-	5,034	-	-	-
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	(95)	(95)	95	-
Warrant exercised	12,143	-	-	-	-	-	-	-	12,143	-	12,143
Total transactions with owners of the Company	12,143	(922)	-	-	-	(5,034)	-	4,939	11,126	95	11,221
At 31 December 2018	66,123	(7,924)	-	90	16,386	-	9,206	8,856	92,737	-	92,737
	Note 13.1	Note 13.2	Note 13.3	Note 13.4	Note 13.5	Note 13.6	Note 13.7				

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2019 (continued)

	/---------- Attributable to owners of the Company ----------/										
	/---------- Non-distributable ----------/							Distributable			
Group	**Share capital RM'000**	**Treasury shares RM'000**	**Fair value reserve RM'000**	**Translation reserve RM'000**	**Revaluation reserve RM'000**	**Share option reserve RM'000**	**Other reserve RM'000**	**Retained earnings/ (Accumulated losses) RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2019	66,123	(7,924)	-	90	16,386	-	9,206	8,856	92,737	-	92,737
Foreign currency translation differences for foreign operations	-	-	-	71	-	-	-	-	71	-	71
Total other comprehensive income for the year	-	-	-	71	-	-	-	-	71	-	71
Loss for the year	-	-	-	-	-	-	-	(6,155)	(6,155)	-	(6,155)
Total comprehensive income/ (expense) for the year	-	-	-	71	-	-	-	(6,155)	(6,084)	-	(6,084)
Contributions by and distributions to owners of the Company											
Own shares acquired	-	(145)	-	-	-	-	-	-	(145)	-	(145)
Dividend to owners of the Company	-	6,824	-	-	-	-	-	(6,824)	-	-	-
Total transactions with owners of the Company	-	6,679	-	-	-	-	-	(6,824)	(145)	-	(145)
At 31 December 2019	66,123	(1,245)	-	161	16,386	-	9,206	(4,123)	86,508	-	86,508
	Note 13.1	Note 13.2	Note 13.3	Note 13.4	Note 13.5	Note 13.6	Note 13.7				

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2019

	Attributable to owners of the Company				
	/---------- Non-distributable		----------/	Distributable	
Company	**Share capital RM'000**	**Treasury shares RM'000**	**Share option reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**
At 1 January 2018	53,980	(7,002)	5,034	14,787	66,799
Profit and comprehensive income for the year	-	-	-	1,884	1,884
Contributions by and distributions to owners of the Company					
Own shares acquired	-	(922)	-	-	(922)
Cancellation of ESOS	-	-	(5,034)	5,034	-
Warrant exercised	12,143	-	-	-	12,143
Total transactions with owners of the Company	12,143	(922)	(5,034)	5,034	11,221
At 31 December 2018/1 January 2019	66,123	(7,924)	-	21,705	79,904
Loss and comprehensive income for the year	-	-	-	(2,813)	(2,813)
Contributions by and distributions to owners of the Company					
Own shares acquired	-	(145)	-	-	(145)
Dividend to owners of the Company	-	6,824	-	(6,824)	-
Total transactions with owners of the Company	-	6,679	-	(6,824)	(145)
At 31 December 2019	66,123	(1,245)	-	12,068	76,946
	Note 13.1	Note 13.2	Note 13.6		

The notes on pages 48 to 98 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
for the year ended 31 December 2019

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Cash flows from operating activities					
(Loss)/Profit before tax		(6,764)	1,769	(2,813)	1,892
Adjustments for:					
Depreciation of property, plant and equipment	3	2,259	2,354	-	39
Depreciation of right-of-use assets	4	102	-	-	-
Depreciation of investment property	5	27	27	27	27
Dividend income		(230)	(148)	(230)	(148)
Finance costs	17	93	60	-	-
Finance income		(71)	(81)	(69)	(74)
Gain on disposal of other investment	19	-	(1,185)	-	(1,185)
Impairment loss on investment in subsidiary	7	-	-	-	2,916
Loss/(Gain) on unrealised foreign exchange	19	9	(13)	-	-
Loss on disposal of property, plant and equipment	19	52	29	-	89
Net loss/(gain) in fair value of other investments measured at fair value	19	2,335	(4,854)	2,335	(4,854)
Net gain in fair value of fixed income trust funds measured at fair value	19	(35)	-	(35)	-
Property, plant and equipment written off	19	44	40	-	-
Impairment loss on amount due from subsidiaries	11	-	-	72	137
Operating loss before changes in working capital		(2,179)	(2,002)	(713)	(1,161)
Change in inventories		171	(417)	-	-
Change in trade and other receivables		1,844	(740)	(440)	111
Change in trade and other payables		(1,045)	(1,750)	109	(623)
Cash used in operations		(1,209)	(4,909)	(1,044)	(1,673)
Interest paid		(81)	(60)	-	-
Interest received		71	81	69	74
Income tax paid		(570)	(616)	(79)	(54)
Income tax refund		600	-	134	-
Net cash used in operating activities		(1,189)	(5,504)	(920)	(1,653)
Cash flows from investing activities					
Acquisition of property, plant and equipment		(261)	(1,440)	-	-
Dividend received		230	148	230	148
Proceeds from disposal of property, plant and equipment		127	229	-	69
Acquisition of subsidiary		-	-	(51)	-
Proceeds from disposal of other investments		-	9,986	-	9,986
Acquisition of other investments		(314)	(12,344)	(314)	(12,344)
Net cash used in investing activities		(218)	(3,421)	(135)	(2,141)

STATEMENTS OF CASH FLOWS
for the year ended 31 December 2019 (continued)

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Cash flows from financing activities					
Proceeds from bankers' acceptances		95	1,265	-	-
Payment of finance lease liabilities		(204)	(130)	-	-
Payment of lease liabilities		(110)	-	-	-
Repurchase of treasury shares		(145)	(922)	(145)	(922)
Proceeds from exercise of warrants		-	12,143	-	12,143
Net cash (used in)/generated from financing activities		(364)	12,356	(145)	11,221
Net (decrease)/ increase in cash and cash equivalents		(1,771)	3,431	(1,200)	7,427
Effect of exchange rate fluctuations on cash held		31	18	-	-
Cash and cash equivalents at 1 January		12,888	9,439	10,032	2,605
Cash and cash equivalents at 31 December		11,148	12,888	8,832	10,032

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Cash outflows for leases as a lessee					
Included in net cash from operating activities					
Payment relating to short-term leases	19	26	-	-	-
Interest paid in relation to lease liabilities	17	12	-	-	-
Included in net cash used in financing activities					
Payment of lease liabilities		110	-	-	-
Total cash outflows for leases		148	-	-	-

Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM261,000 (2018: RM2,060,000), of which RM Nil (2018: RM620,000) were acquired by means of finance leases.

The notes on pages 48 to 98 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Ni Hsin Resources Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
No. 45, Jalan Taming Dua
Taman Taming Jaya
43300 Seri Kembangan
Selangor Darul Ehsan

Registered office
12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2019 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 31 December 2019 do not include other entities.

The Company is principally engaged in investment holding activities while the principal activities of the subsidiaries are as stated in Note 7 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 18 May 2020.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2020
- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021
- MFRS 17, *Insurance Contracts*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed
- 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*

NOTES TO THE FINANCIAL STATEMENTS
(continued)

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2020 for those amendments, that are effective for annual periods beginning on or after 1 January 2020.

- from the annual period beginning on 1 January 2022 for the amendment that is effective for annual periods beginning on or after 1 January 2022.

The Group and the Company do not plan to apply MFRS 17, *Insurance Contracts* that is effective for annual periods beginning on or after 1 January 2021 as it is not applicable to the Group and the Company.

The initial application of the abovementioned accounting standards, interpretations or amendments are not expected to have any material financial impacts to the current periods and prior period financial statements of the Group and of the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:
- Note 6- Goodwill
- Note 7- Investments in subsidiaries
- Note 9- Inventories

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

Arising from the adoption of MFRS 16, *Leases*, there are changes to the accounting policies to lease contracts entered into by the Group entities as compared to those applied in previous financial statements. The impacts arising from the changes are disclosed in Note 28.

2. Significant accounting policies (continued)

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(v) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve (“FCTR”) in equity.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 January 2011 (the date when the Group first adopted MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

2. Significant accounting policies (continued)

(b) Foreign currency (continued)

(ii) Operations denominated in functional currencies other than Ringgit Malaysia (continued)

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(b) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 2(k)(i)).

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities

Amortised cost

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

2. Significant accounting policies (continued)

(d) Property, plant and equipment

(i) Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within “other income” and “other expenses” respectively in profit or loss.

Property, plant and equipment under the revaluation model

The Group revalues its property comprising freehold land and factory buildings every 5 years or at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation are dealt with in the property revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(iii) Depreciation (continued)

The estimated useful lives for the current and comparative periods are as follows:

• Factory buildings	33 years
• Hostels	50 years
• Plant and machinery	14 years
• Moulds	14 years
• Factory equipment	10 years
• Office equipment, furniture, fixtures and fittings	5 - 10 years
• Motor vehicles	5 years
• Renovation	10 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

(e) Leases

The Group has applied MFRS 16 using the modified retrospective approach, under which leases were measured at the present value of the remaining lease payments with no adjustment to retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported under MFRS 117*, Leases* and related interpretations.

Current financial year

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

2. Significant accounting policies (continued)

(e) Leases (continued)

(ii) Recognition and initial measurement

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these as an expense on a straight-line basis over the lease term.

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

2. Significant accounting policies (continued)

(e) Leases (continued)

(iii) Subsequent measurement

As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other income".

Previous financial year

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset was measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset was accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases were apportioned between the finance expense and the reduction of the outstanding liability. The finance expense was allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments were accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment was confirmed.

(ii) Operating lease

Leases, where the Group or the Company did not assume substantially all the risks and rewards of ownership were classified as operating leases and, except for property interest held under operating lease, the leased assets were not recognised on the statement of financial position.

Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals were charged to profit or loss in the reporting period in which they were incurred.

2. Significant accounting policies (continued)

(f) Intangible assets

Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses.

Amortisation

Goodwill with indefinite useful life is not amortised but is tested for impairment annually and whenever there is an indication that it may be impaired.

(g) Investment property

(i) Investment property carried at cost

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties initially and subsequently measured at cost are accounted for similarly to property, plant and equipment.

The Directors estimate fair value of the Group's investment property without involvement of independent valuers. Fair value is arrived at by reference to market evidence of sales listing prices for similar properties within the same/adjacent location.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, the transfer is stated at the carrying amount of the item immediately prior to transfer.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Contract asset/Contract liability

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments*.

A contract liability is stated at cost and represents the obligation of the Group or the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

2. Significant accounting policies (continued)

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(k) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables on an individual basis.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

2. Significant accounting policies (continued)

(k) Impairment (continued)

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets and deferred tax assets), are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(l) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

2. Significant accounting policies (continued)

(l) Equity instruments (continued)

(iii) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of distributable reserves.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(m) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(o) Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;

(b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

2. Significant accounting policies (continued)

(o) Revenue and other income (continued)

(i) Revenue (continued)

(c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(iv) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(p) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(q) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

2. Significant accounting policies (continued)

(q) Income tax (continued)

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(g), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

(r) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise warrants over ordinary shares.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(t) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. Significant accounting policies (continued)

(u) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. Property, plant and equipment

Group	Freehold land RM'000	Factory buildings RM'000	Hostels RM'000	Plant and machinery RM'000	Moulds RM'000	Factory equipment RM'000	Office equipment, furniture, fixtures and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Cost/Revalued										
At 1 January 2018	26,700	11,300	102	36,040	8,842	1,689	3,031	2,015	679	90,398
Additions	-	-	-	8	149	46	44	1,813	-	2,060
Disposals	-	-	-	(32)	-	(1)	(9)	(811)	-	(853)
Written off	-	-	-	(3)	(11)	(16)	(187)	-	-	(217)
At 31 December 2018/ 1 January 2019	26,700	11,300	102	36,013	8,980	1,718	2,879	3,017	679	91,388
Additions	-	-	-	2	60	34	37	128	-	261
Disposals	-	-	-	-	-	-	(6)	(500)	-	(506)
Written off	-	-	-	(576)	(17)	(14)	(24)	-	(7)	(638)
At 31 December 2019	26,700	11,300	102	35,439	9,023	1,738	2,886	2,645	672	90,505
Accumulated depreciation										
At 1 January 2018	-	444	51	30,976	6,798	1,329	2,324	981	652	43,555
Depreciation for the year	-	412	2	1,006	325	73	177	354	5	2,354
Disposals	-	-	-	(32)	-	(1)	(9)	(553)	-	(595)
Written off	-	-	-	(3)	(11)	(16)	(147)	-	-	(177)
At 31 December 2018/ 1 January 2019	-	856	53	31,947	7,112	1,385	2,345	782	657	45,137
Depreciation for the year	-	412	2	795	306	74	136	528	6	2,259
Disposals	-	-	-	-	-	-	(6)	(321)	-	(327)
Written off	-	-	-	(534)	(17)	(13)	(23)	-	(7)	(594)
At 31 December 2019	-	1,268	55	32,208	7,401	1,446	2,452	989	656	46,475
Carrying amounts										
At 1 January 2018	26,700	10,856	51	5,064	2,044	360	707	1,034	27	46,843
At 31 December 2018/ 1 January 2019	26,700	10,444	49	4,066	1,868	333	534	2,235	22	46,251
At 31 December 2019	26,700	10,032	47	3,231	1,622	292	434	1,656	16	44,030

3. Property, plant and equipment (continued)

3.1 Property, plant and equipment under the revaluation model

Freehold land and factory buildings were revalued in the financial year ended 31 December 2016 by independent professional valuers using comparison approach.

Had the freehold land and factory buildings been carried the cost model, their carrying amounts would have been RM11,445,000 (2018: RM11,445,000) and RM6,971,000 (2018: RM7,256,000) respectively.

3.2 Assets under finance lease

Included in property, plant and equipment of the Group are motor vehicles under finance leases with carrying amount of RM457,000 (2018: RM579,000).

4. Right-of-use assets

Group	Buildings RM'000
At 1 January 2019	204
Depreciation	(102)
At 31 December 2019	102

The Group leases an office unit that run between 1 year and 3 years, with an option to renew the lease after that date.

4.1 Significant judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

5. Investment property

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Cost				
At 1 January/31 December	1,333	1,333	1,333	1,333
Accumulated depreciation				
At 1 January	(81)	(54)	(81)	(54)
Depreciation for the year	(27)	(27)	(27)	(27)
At 31 December	(108)	(81)	(108)	(81)
Carrying amounts	1,225	1,252	1,225	1,252

5. Investment property (continued)

Included in the above are:

	Group		Company	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
At cost:				
Building	1,225	1,252	1,225	1,252

The following are recognised in profit or loss in respect of investment property:

	Group		Company	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Direct operating expenses:				
- non-income generating investment property	38	12	38	12

5.1 Fair value information

Fair value of investment properties are categorised as follows:

	2019 Level 3 RM'000	**2018 Level 3 RM'000**
Group and Company		
Building	2,720	2,472

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Comparison method: The valuation method considers the sales and listing of comparable properties recorded in the area and adjustments are made between the subject properties and those similar properties. The adjustments are made in relation to location and accessibility, size of the lot, legal and legislation constraints, supply and demand. The most significant input into this valuation approach is price per square foot.	Price per square foot (2019: RM943 - RM1,000) (2018: RM857 - RM1,000)	The estimated fair value would increase (decrease) if the price per square foot is higher (lower).

6. Goodwill

	Group	
	2019 RM'000	2018 RM'000
Cost	5,105	5,105
Carrying amounts	5,105	5,105

6.1 Impairment testing for cash-generating unit containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating segments which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The recoverable amount of the cash-generating unit was based on its value-in-use. The carrying amount of the unit was determined to be approximately its recoverable amount and no impairment loss was recognised.

Value-in-use was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions:

- Cash flows were projected based on past experience, actual operating results and the 5-year business plan. Cash flows for period after the 5th year were extrapolated using a constant growth rate of 4.5% (2018: 5%), which represent management's assessment on the growth rate for clad metals and convex mirror industry using both external sources and internal sources (historical data). Management believes that this cash flows forecast period was justified as there is no future event or condition that may cause the unit to cease to continue as a going concern.
- Revenue growth rate in the 5-year business plans is ranging from 3% to 6% per annum (2018: 9% to 12% per annum)
- Gross profit margin in the 5-year business plans is 21% (2018: 19% to 23%)
- A pre-tax discount rate of 8.0% (2018: 8.0%)

The values assigned to the key assumptions represent management's assessment of future trends in the clad metals and convex mirrors industry and are based on both external sources and internal sources (historical data).

The above estimates are particularly sensitive in future planned revenue. A decrease of 2.50% in the future planned revenue would result in an impairment loss of RM40,000.

7. Investments in subsidiaries

		Company	
	Note	2019 RM'000	2018 RM'000
Unquoted shares, at cost		56,705	56,654
Less: Impairment loss	7.2	(115)	(115)
		56,590	56,539
Amount due from a subsidiary	7.1	2,871	2,871
Less: Impairment loss	7.2	(2,871)	(2,871)
		-	-
		56,590	56,539

7. Investments in subsidiaries (continued)

7.1 The amount due from a subsidiary is non-trade in nature, unsecured and interest free. The settlement of the amount is neither planned nor likely to occur in the foreseeable future. As this amount is a part of the Company's net investment in the subsidiary in substance, it was stated at cost less accumulated impairment.

7.2 Impairment loss on investment in subsidiaries and amount due from a subsidiary

The total impairment loss as of 31 December 2019 of RM2,986,000 (2018: RM2,986,000) was mainly attributable to the investment and amount due from an overseas subsidiary amounting to RM2,916,000 (2018: RM2,916,000) as the management is of the view that the business is affected by geopolitical factors in Europe which is beyond the management's control.

The recoverable amount of the investment in subsidiary was RM Nil (2018: RM Nil) which was based on the fair value less cost to disposal by estimating the fair value of the underlying assets and liabilities of the subsidiary. Following an impairment of cost of investment in subsidiary, the recoverable amount is equal to the carrying amount.

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective ownership interest 2019 %	Effective ownership interest 2018 %
Ni Hsin Corporation Sdn. Bhd. ("NHC")#	Design, manufacture and sale of stainless steel kitchenware and cookware	Malaysia	100	100
Ever-Grow Advanced Materials Sdn. Bhd. ("EGAM")#	Research, development and manufacturing of clad metals and stainless steel convex mirrors	Malaysia	100	100
Steel Crafts Europa S.R.L. ("SCE")*	Trading and assembly of kitchenware, cookware, clad metals and stainless steel convex mirrors	Italy	100	100
Inoco Resources Sdn. Bhd. ("Inoco")@	General merchandiser and other commodities of all kinds and descriptions and retailer	Malaysia	100	100
Ni Hsin Marketing Sdn. Bhd. ("NHM")@	General merchandiser, distribution and marketing of cookware, kitchenware, water filters, convex mirrors, and related products and accessories	Malaysia	100	70
Pentoli Sdn. Bhd. ("PSB")@	Distribution and marketing of cookware, convex mirrors, kitchenware, water filters and related products and accessories	Malaysia	100	100
Ni Hsin Marketing (HK) Limited ("NHHK")@^	General trading of all kinds and descriptions and retailer	Hong Kong	100	-

* Subsidiary incorporated in Italy has not been audited as it is exempted from statutory audit under Italian Company Laws. It is prepared based on unaudited management accounts for the year ended 31 December 2019. SCE's subsidiary, Pentoli S.R.L., has been dissolved during the year in accordance with the Italian law.

^ Subsidiary incorporated in Hong Kong has not been audited as it has not commenced any operations and thus there are no filings required or due until end of 18 months from the date of incorporation. This subsidiary has been newly incorporated during March 2019.

Audited by KPMG

@ Not audited by KPMG

7. Investments in subsidiaries (continued)

7.3 Non-controlling interests in subsidiary

The Group's subsidiary that have material non-controlling interests ("NCI") is as follows:

	Ni Hsin Marketing	
	2019	2018
	RM'000	RM'000
NCI percentage of ownership interest and voting interest	0%	0%
Carrying amount of NCI	-	-
Profit allocated to NCI	-	(2)
Summarised financial information before intragroup elimination		
As at 31 December		
Non-current assets	-	1
Current assets	-	-
Current liabilities	-	(324)
Net assets	-	(323)
Year ended 31 December		
Revenue	-	-
Loss for the year	-	(12)
Cash flows used in operating activities	-	(12)
Cash flows generated from financing activities	-	11
Net decrease in cash and cash equivalents	-	(1)

8. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2019	2018	2019	2018	2019	2018
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	-	-	(4,486)	(4,527)	(4,486)	(4,527)
Right-of-use assets	1	-	-	-	1	-
Provisions	47	43	-	-	47	43
Unabsorbed capital allowances carried forward	388	180	-	-	388	180
Tax losses carried forward	930	331	-	-	930	331
Others	135	138	-	-	135	138
Tax assets/(liabilities)	1,501	692	(4,486)	(4,527)	(2,985)	(3,835)
Set off of tax	(1,497)	(692)	1,497	692	-	-
Net tax assets/(liabilities)	4	-	(2,989)	(3,835)	(2,985)	(3,835)

8. Deferred tax assets/(liabilities) (continued)

Unrecognised deferred tax assets/(liabilities)

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2019	**2018**
	RM'000	**RM'000**
Tax losses carried forwards	290	262
Other deductible temporary differences	2	2
	292	264

Unrecognised tax losses of RM290,000 (2018: RM262,000) which relates to a subsidiary that was suffering losses, were not recognised as management considered it is not probable that future taxable profits will be available to utilise it.

With effective from year of assessment 2019, unutilised tax losses can only be carried forward for seven (7) consecutive years and any balance unutilised thereafter will be disregarded.

8. Deferred tax assets/(liabilities) (continued)

Movement in temporary differences during the year

	At 1.1.2018 RM'000	Recognised in profit or loss (Note 18) RM'000	Recognised in other comprehensive income (Note 20) RM'000	At 31.12.2018/ 1.1.2019 RM'000	Recognised in profit or loss (Note 18) RM'000	Recognised in other comprehensive income (Note 20) RM'000	At 31.12.2019 RM'000
Group							
Property, plant and equipment	(3,918)	154	(763)	(4,527)	41	-	(4,486)
Right-of-use assets	-	-	-	-	1	-	1
Provisions	43	-	-	43	4	-	47
Unabsorbed capital allowances carried forward	-	180	-	180	208	-	388
Tax losses carried forward	75	256	-	331	599	-	930
Other items	170	(32)	-	138	(3)	-	135
	(3,630)	558	(763)	(3,835)	850	-	(2,985)

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9. Inventories

	Group	
	2019 RM'000	2018 RM'000
Raw materials and component parts	12,968	12,803
Indirect materials	879	859
Work-in-progress	616	743
Manufactured inventories	5,974	6,203
	20,437	20,608
Recognised in profit or loss:		
Inventories recognised as cost of sales	25,113	25,420

10. Other investments

	Group and Company Quoted shares	
	2019 RM'000	2018 RM'000
Current		
Financial assets at fair value through profit or loss		
- Held for trading	9,946	11,967

11. Trade and other receivables

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Current					
Trade					
Trade receivables		1,060	2,525	-	-
Non-trade					
Subsidiary	11.3	-	-	699	627
Less: provision for doubtful debt		-	-	(699)	(627)
		-	-	-	-
Other receivables	11.1	518	1,184	10	10
Deposits	11.2	595	202	452	52
Prepayments		662	768	3	-
		1,775	2,154	465	62
		2,835	4,679	465	62

Group

11.1 Included in other receivables are club memberships in the Klang Valley. The memberships are valued at their fair value of RM128,000 (2018: RM128,000).

11.2 Included in deposits are commitment deposits of RM150,000 (2018: RM Nil) and advanced payments of RM300,000 (2018: RM Nil) made to Satumarin Sdn. Bhd. in relation to Heads of Agreement signed in September 2019 as disclosed in Note 27 (v).

11. Trade and other receivables (continued)

Company

11.3 The amount due from a subsidiary is non-trade related, unsecured, interest free and is repayable on demand.

12. Cash and cash equivalents

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Deposits with licensed banks		206	9,200	186	9,180
Fixed income trust funds, at fair value through profit or loss	12.1	8,242	-	8,242	-
Cash and bank balances		2,700	3,688	404	852
		11,148	12,888	8,832	10,032

12.1 Deposit in fixed income trust funds represents short term investment in highly liquid money market. These investments are readily convertible to cash and have insignificant risk of changes in value.

13. Share capital and reserves

13.1 Share capital

	Group and Company			
	Amount 2019 RM'000	Number of shares 2019 '000	Amount 2018 RM'000	Number of shares 2018 '000
Ordinary shares, issued and fully paid:				
At 1 January	66,123	321,515	53,980	260,801
Exercise of warrant	-	-	12,143	60,714
At 31 December	66,123	321,515	66,123	321,515

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

13.2 Treasury shares

Treasury shares comprises cost of acquisition of the Company's own shares. For the financial year ended 31 December 2019, the Company repurchased 561,600 units (2018: 4,321,800) of its issued share capital from the open market costing RM145,340 (2018: RM921,741). The average price paid for the shares repurchased was RM0.26 (2018: RM0.21) per share including transaction costs, and the repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares.

On 22 March 2019, a total of 24,389,364 treasury shares amounting to RM6,824,000 were distributed as share dividend to shareholders on the basis of one (1) treasury share for every twelve (12) ordinary shares held on 26 February 2019.

As at 31 December 2019, the total number of treasury shares is 4,443,536 (2018: 28,271,300). There were no treasury shares resold during the financial year.

The number of outstanding shares in issue after deducting treasury shares held at the financial year end is 317,071,374 (2018: 293,243,610) ordinary shares. Treasury shares have no rights to voting, dividends and participation in other distribution.

13. Share capital and reserves (continued)

13.3 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired. The financial assets are the club memberships (Note 11.1). In the previous financial year, this reserve was reclassified to retained earnings.

13.4 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM, as well as from the translation of liabilities that hedge the Company's net investment in foreign operations.

13.5 Revaluation reserve

Revaluation reserve relates to the revaluation of property in property, plant and equipment.

13.6 Share option reserve

The share option reserve comprises the cumulative value of Directors and employee services received for the issue of share options by the Group. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire, the amount from the share option reserve is transferred to retained earnings. In the prior year, the ESOS has been cancelled and the amount in share option reserve have been transferred to retained earnings.

13.7 Other reserve

Other reserve comprises the reclassification of revaluation reserve and foreign currency translation reserve at the date of transition to MFRSs.

13.8 Warrants

In May 2019, the Company issued 158,535,265 free warrants on the basis of one (1) free Warrant for every two (2) ordinary shares of the Company. The Warrant is constituted by a Deed Poll dated 24 April 2019 and were listed on Bursa Malaysia Securities Berhad on 21 May 2019.

The main features of the Warrant are as follows:

i) Each Warrant will entitle its registered holder during the exercise period to subscribe for one (1) new ordinary share at the exercise price, which has been fixed at RM0.138 per share subject to adjustments in accordance with the provisions of the Deed Poll dated 24 April 2019 constituting the Warrant;

ii) The tenure of Warrant is for a period of three (3) years and may be exercised at any time on or after 21 May 2019. Warrant not exercised during the exercise period shall thereafter lapse and cease to be valid for any purpose; and

iii) The new ordinary shares to be issued arising from the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company, save and except that the new ordinary shares will not be entitled to any dividends, rights, allotments and/or other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the new ordinary shares arising from the exercise of the Warrants.

There were no warrants exercised since its issuance. The number of warrants unexercised at the end of the reporting period was 158,535,265. (2018: Nil)

14. Loans and borrowings

	Group	
	2019 RM'000	2018 RM'000
Non-current		
Finance lease liabilities	73	269
Current		
Bankers' acceptances (unsecured)	1,360	1,265
Finance lease liabilities	213	221
	1,573	1,486
	1,646	1,755

Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	Future minimum lease payments 2019 RM'000	Interest 2019 RM'000	Present value of minimum lease payments 2019 RM'000	Future minimum lease payments 2018 RM'000	Interest 2018 RM'000	Present value of minimum lease payments 2018 RM'000
Less than one year	221	8	213	240	19	221
Between one and three years	74	1	73	277	8	269
	295	9	286	517	27	490

Included in the Group's finance lease liabilities are lease of motor vehicles with carrying amount of RM457,000 (2018: RM579,000) under the finance lease expiring within three years.

14.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	At 31 December 2018/ 1 January 2019 RM'000	Acquisition of new leases RM'000	Net changes from financing cash flows RM'000	Interest expense RM'000	Interest paid RM'000	At 31 December 2019 RM'000
Bankers' acceptances	1,265	-	95	57	(57)	1,360
Finance lease liabilities	490	-	(204)	18	(18)	286
Total liabilities from financing activities	1,755	-	(109)	75	(75)	1,646

15. Trade and other payables

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Current					
Trade					
Trade payables		1,349	671	-	-
Contract liabilities	15.1	537	1,637	-	-
		1,886	2,308	-	-
Non-trade					
Other payables		925	1,528	129	71
Accrued expenses		1,137	1,223	-	-
Amount due to subsidiary		-	-	51	-
		2,062	2,751	180	71
		3,948	5,059	180	71

15.1 Contract liabilities

The contract liability was related to advance consideration received from customers, which revenue is recognised at a point in time when goods are delivered and accepted by the customers.

16. Revenue

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Sales of goods	30,887	33,047	-	-
Dividend income	230	148	230	148
Management fees	-	-	240	240
	31,117	33,195	470	388

16.1 Nature of goods and services

The Group main products are cookware, clad metals and convex mirrors and the following information reflects the typical transactions of the Group:

Nature of goods or services	Cookware, clad metal and convex mirrors
Timing of recognition or method used to recognised revenue	Revenue is recognised when the goods are delivered and accepted by the customers.
Significant payment terms	Partial or full advance payment upon confirmation of order from customers or issuance of Bill of Lading.
Variable element in consideration	Not applicable.
Obligation for returns or refunds	The Group allows returns only on manufacturing defect for exchange with new goods (i.e. no cash refunds are offered).
Warranty	Not applicable.

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17. Finance costs

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
Bank overdrafts	6	9	-	-
Bankers' acceptances	57	34	-	-
Finance lease liability	18	17	-	-
Interest expense on lease liabilities	12	-	-	-
	93	60	-	-

18. Tax (income)/expense

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Current tax expense				
- current	204	152	11	11
- under/(over) provision in prior years	37	10	(11)	(3)
Total current tax recognised in profit or loss	241	162	-	8
Deferred tax expense				
- origination and reversal of temporary differences	(1,042)	(679)	-	-
- under provision in prior years	192	121	-	-
Total deferred tax recognised in profit or loss	(850)	(558)	-	-
Total income tax (income)/expense	(609)	(396)	-	8
Recognised in other comprehensive income				
Revaluation surplus of property at tax rate of 10% (2018: 10%)	-	(763)	-	-
Reconciliation of effective tax expense				
(Loss)/Profit for the year	(6,155)	2,165	(2,813)	1,884
Tax expense	(609)	(396)	-	8
(Loss)/Profit excluding tax	(6,764)	1,769	(2,813)	1,892
Reconciliation of effective tax expense				
Income tax calculated using Malaysian tax rate of 24% (2018: 24%)	(1,623)	425	(675)	454
Non-deductible expenses	894	593	735	1,042
Non-taxable income	-	(1,449)	-	(1,449)
Tax exempt income	(49)	(36)	(49)	(36)
Tax incentives	(65)	(61)	-	-
	(843)	(528)	11	11
Current year losses for which no deferred tax asset was recognised	5	1	-	-
Under/(Over) provision in prior years	229	131	(11)	(3)
Tax (income)/expense	(609)	(396)	-	8
Recognised in other comprehensive income				
Revaluation surplus of property at tax rate of 10% (2018: 10%)	-	(763)	-	-

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(continued)

19. (Loss)/Profit for the year

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
(Loss)/Profit for the year is arrived at after charging:					
Auditors' remuneration					
- Audit fees					
KPMG PLT		140	140	30	30
Other auditor		6	6	-	-
- Non-audit fees					
KPMG PLT		51	58	21	26
Material expenses					
Depreciation of property, plant and equipment		2,259	2,354	-	39
Depreciation of investment property		27	27	27	27
Depreciation of right-of-use assets		102	-	-	-
Impairment loss on cost of investment		-	-	-	45
Impairment loss on amount due from subsidiaries		-	-	72	3,008
Net loss on foreign exchange- unrealised		9	-	-	-
Net loss in fair value of other investments measured at fair value		2,335	-	2,335	-
Loss on disposal of property, plant and equipment		52	29	-	89
Property, plant and equipment written off		44	40	-	-
Personnel expenses (including key management personnel)					
- Contributions to state plans		737	765	-	-
- Wages, salaries and others		10,659	11,331	300	320
Material income					
Gain on disposal of other investments		-	1,185	-	1,185
Net gain in fair value of other investments measured at fair value		-	4,854	-	4,854
Net gain in fair value of fixed income trust fund measured at fair value		35	-	35	-
Dividend income					
- from fixed income trust funds		230	-	230	-
- from investment		-	148	-	148
Net gain on foreign exchange - unrealised		-	13	-	-
Net gain on foreign exchange - realised		338	493	-	-
Rental income from land and buildings		173	228	-	-
Expenses arising from leases					
Expenses relating to short-term leases	19.1	26	-	-	-
Rental expense		-	164	-	-

19.1 The Group leases office and factory with contract term of 1 year. These leases are short-term. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

20. Other comprehensive income/(expense)

	Before tax RM'000	Tax expense RM'000	Net of tax RM'000
Group			
2019			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	71	-	71
2018			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of property - revision of tax rate	-	(763)	(763)
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	(4)	-	(4)

21. (Loss)/Earnings per ordinary share

Group

Basic (loss)/earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2019 was based on the loss (2018: profit) attributable to ordinary shareholders of RM6,155,000 (2018: RM2,167,000) and the number of weighted average ordinary shares outstanding during the year of 315,936,527 (2018: 291,147,618) after accounting for share buy-backs and effect of exercise of warrants in the prior year.

Diluted (loss)/earnings per ordinary share

The calculation of diluted loss per ordinary share at 31 December 2019 was based on loss attributable to ordinary shareholders of RM6,155,000 and the number of weighted average diluted ordinary shares outstanding of 331,311,057 after accounting for share buy-backs and adjustment for the effects of all dilutive potential ordinary shares of 15,374,530 shares arising from the share warrants on issue.

The average market value of the Company's shares for purpose of calculating the dilutive effect of share warrants for the financial year ended 31 December 2019 was based on quoted market prices for the period during which the warrants were outstanding.

As at 31 December 2018, the diluted profit per share of the Group is equal to the basic profit per share as the Group does not have any material potential dilutive ordinary shares in issue.

22. Operating segments

The Group has three main reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") (i.e. the Managing Director) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's main reportable segments:

(i)	Cookware	Design, manufacture and sale of stainless steel kitchenware and cookware
(ii)	Convex mirrors	Manufacture and sale of stainless steel convex mirrors
(iii)	Clad metals	Research, development and manufacture of clad metals

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

22. Operating segments (continued)

Segment assets

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total assets is used to measure the return on assets of each segment.

Segment liabilities

The total of segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total liabilities is used to measure the operating liabilities that are attributable to or can be allocated to each segment.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	Cookware RM'000	Convex mirrors RM'000	Clad metals RM'000	Others RM'000	Elimi-nations RM'000	Total RM'000
2019						
Business segments						
Revenue	14,074	10,742	6,071	230	-	31,117
Inter-segment revenue	3	981	5,746	-	(6,730)	-
Total revenue	14,077	11,723	11,817	230	(6,730)	31,117
2018						
Business segments						
Revenue	17,452	10,142	5,453	148	-	33,195
Inter-segment revenue	750	1,199	5,253	-	(7,202)	-
Total revenue	18,202	11,341	10,706	148	(7,202)	33,195

Major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

	Revenue		Segment
	2019 RM'000	2018 RM'000	
Customer A	4,346	3,559	Convex mirrors
Customer B	3,714	-	Cookware
	8,060	3,559	

NOTES TO THE FINANCIAL STATEMENTS
(continued)

22. Operating segments (continued)

	Cookware RM'000	Convex mirrors RM'000	Clad metals RM'000	Others RM'000	Eliminations RM'000	Total RM'000
2019						
Results						
Segment results	(3,880)	2,012	(1,853)	194	111	(3,416)
Unallocated corporate expenses						(3,326)
Interest expense						(93)
Interest income						71
Loss before tax						(6,764)
Tax expense						609
Loss for the year						(6,155)
Assets						
Segment assets	51,829	6,497	17,364	11,688	(3,697)	83,681
Unallocated corporate assets						11,516
Total assets						95,197
Liabilities						
Segment liabilities	4,008	1,275	3,648	623	(3,855)	5,699
Unallocated corporate liabilities						2,990
Total liabilities						8,689
Other information						
Capital expenditure	182	68	11	-	-	261
Depreciation	1,400	664	195	-	-	2,259
Non-cash expenses other than depreciation	1	74	21	-	-	96

	Revenue RM'000
2019	
Results	
Geographical segments	
Japan and Korea	17,056
Malaysia and Singapore	5,114
China, Taiwan and Hong Kong	2,479
Thailand and Indonesia	924
Europe	3,297
USA and Canada	1,166
Australia	102
Others	979
	31,117

NOTES TO THE FINANCIAL STATEMENTS
(continued)

22. Operating segments (continued)

	Cookware RM'000	Convex mirrors RM'000	Clad metals RM'000	Others RM'000	Eliminations RM'000	Total RM'000
2018						
Results						
Segment results	(2,700)	1,546	(1,751)	127	3,097	319
Unallocated corporate income						1,429
Interest expense						(60)
Interest income						81
Profit before tax						1,769
Tax expense						396
Profit for the year						2,165
Assets						
Segment assets	54,578	6,258	17,738	13,281	(1,994)	89,861
Unallocated corporate assets						13,525
Total assets						103,386
Liabilities						
Segment liabilities	4,574	1,158	2,978	144	(2,040)	6,814
Unallocated corporate liabilities						3,835
Total liabilities						10,649
Other information						
Capital expenditure	752	51	1,257	-	-	2,060
Depreciation	1,389	297	629	39	-	2,354
Non-cash expenses other than depreciation	(59)	24	14	90	-	69

	Revenue RM'000
2018	
Results	
Geographical segments	
Japan and Korea	15,550
Malaysia and Singapore	5,243
China, Taiwan and Hong Kong	4,110
Thailand and Indonesia	1,019
Europe	4,063
USA and Canada	2,134
Australia	386
Others	690
	33,195

22. Operating segments (continued)

The carrying amount of segment assets and cost to acquire property, plant and equipment by location of assets are not provided. The assets of the Group are located and capital expenditure incurred for these assets, are principally in Malaysia.

23. Financial instruments

23.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Amortised cost ("AC") and
(b) Fair value through profit or loss ("FVTPL")

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
2019			
Financial assets			
Group			
Receivables and deposits (excluding prepayments)	2,173	2,045	128
Other investments	9,946	-	9,946
Cash and cash equivalents	11,148	2,906	8,242
	23,267	4,951	18,316
Company			
Receivables and deposits (excluding prepayments)	462	462	-
Other investments	9,946	-	9,946
Cash and cash equivalents	8,832	590	8,242
	19,240	1,052	18,188
Financial Liabilities			
Group			
Loan and borrowings	(1,646)	(1,646)	-
Trade and other payables	(3,948)	(3,948)	-
	(5,594)	(5,594)	-
Company			
Trade and other payables	(180)	(180)	-

23. Financial instruments (continued)

23.1 Categories of financial instruments (continued)

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
2018			
Financial assets			
Group			
Receivables and deposits (excluding prepayments)	3,911	3,783	128
Other investments	11,967	-	11,967
Cash and cash equivalents	12,887	12,887	-
	28,765	16,670	12,095
Company			
Receivables and deposits (excluding prepayments)	62	62	-
Other investments	11,967	-	11,967
Cash and cash equivalents	10,032	10,032	-
	22,061	10,094	11,967
Financial liabilities			
Group			
Loan and borrowings	(1,755)	(1,755)	-
Trade and other payables	(5,059)	(5,059)	-
	(6,814)	(6,814)	-
Company			
Trade and other payables	(71)	(71)	-

23.2 Net gains and losses arising from financial instruments

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Net gains/(losses) on:				
Financial assets at amortised cost	298	341	69	74
Financial liabilities measured at amortised cost	11	186	-	-
Financial assets at fair value through profit or loss				
- held for trading	(2,335)	6,039	(2,335)	6,039
- fixed income trust fund	35	-	35	-
- dividend income from fixed income trust fund	230	-	230	-
	(1,761)	6,566	(2,001)	6,113

23. Financial instruments (continued)

23.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

23.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has an informal credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk for the Group is arising from trade receivables that are represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that trade receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses aging analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 60 days, which are deemed to have higher credit risk, are monitored individually.

Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

	Group	
	2019	**2018**
	RM'000	**RM'000**
Domestic	405	576
Others	655	1,949
	1,060	2,525

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the management has taken reasonable steps to ensure that trade receivables that are neither past due nor impaired are stated at their realisable value. Generally, trade receivables will pay within 60 days.

The management measures loss allowance on an individual basis.

23. Financial instruments (continued)

23.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

The following table provides information about the exposure to credit risk for trade receivables as at 31 December 2019.

Group	Gross carrying amount RM'000	Individual impairment RM'000	Net RM'000
2019			
Not past due	985	-	985
Past due 1 - 30 days	55	-	55
Past due 31 - 60 days	-	-	-
Past due 61 - 90 days	-	-	-
Past due over 90 days	20	-	20
	1,060	-	1,060
2018			
Not past due	2,143	-	2,143
Past due 1 - 30 days	322	-	322
Past due 31 - 60 days	-	-	-
Past due 61 - 90 days	-	-	-
Past due over 90 days	60	-	60
	2,525	-	2,525

As at the end of the reporting period, there was no indication that the receivables are not recoverable.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks have low credit risks.

Other receivables

Credit risks on other receivables are mainly arising from deposits paid for office buildings and fixtures rented. These deposits will be received at the end of each lease terms. The Group manages the credit risk together with the leasing arrangement.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group did not recognised any allowance for impairment losses.

23. Financial instruments (continued)

23.4 Credit risk (continued)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

As at the end of the reporting period, the Company provided total corporate guarantees amounting to RM26,140,000 (2018: RM26,140,000).

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM1,646,000 (2018: RM1,755,000) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was immaterial.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loan and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment losses

Generally, the Company considers advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' advances when they are payable, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full;
- The subsidiary's loan or advance is overdue for more than 365 days; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk for subsidiaries' advances as at 31 December 2019.

23. Financial instruments (continued)

23.4 Credit risk (continued)

Financial guarantees (continued)

Recognition and measurement of impairment losses (continued)

Company	Gross carrying amount RM'000	Impairment loss allowances RM'000	Net balance RM'000
2019			
Credit impaired	3,570	(3,570)	-
2018			
Credit impaired	3,498	(3,498)	-

The movements in the allowance for impairment in respect of subsidiaries' advances during the year is as follows:

Company	2019 Lifetime ECL RM'000
Balance at 1 January per MFRS139 and MFRS9	3,498
Increase in allowance loss	72
Balance at 31 December	3,570

23.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

23. Financial instruments (continued)

23.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
Group						
2019						
Non-derivative financial liabilities						
Lease liabilities	106	5.00%	106	106	-	-
Bankers' acceptances	1,360	4.67%-4.71%	1,360	1,360	-	-
Finance lease liabilities	286	2.35%-2.36%	286	213	73	-
Trade and other payables	3,948	-	3,948	3,948	-	-
2018						
Non-derivative financial liabilities						
Bankers' acceptances	1,265	4.95%-4.99%	1,265	1,265	-	-
Finance lease liabilities	490	2.35%-2.36%	490	221	269	-
Trade and other payables	5,059	-	5,059	5,059	-	-
Company						
2019						
Non-derivative financial liabilities						
Payables and accruals	180	-	180	180	-	-
Financial guarantee	-	-	26,140	26,140	-	-
2018						
Non-derivative financial liabilities						
Payables and accruals	71	-	71	71	-	-
Financial guarantee	-	-	26,140	26,140	-	-

23. Financial instruments (continued)

23.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

23.6.1 Currency risk

The Group is exposed to foreign currency risk arising from transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD"), Japanese Yen ("JPY") and Euro ("EUR").

Risk management objectives, policies and processes for managing the risk

The Group does not have a fixed policy to hedge its sales and purchases via forward contracts. However, the exposure to foreign currency risk is monitored from time to time by management.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in		
	USD	**EUR**	**JPY**
	RM'000	**RM'000**	**RM'000**
Group			
2019			
Trade and other receivables	413	226	181
Trade payables	(201)	(46)	-
Net exposure	212	180	181
2018			
Trade and other receivables	1,914	227	245
Trade payables	(25)	(25)	-
Net exposure	1,889	202	245

Company

The Company does not have any exposure to foreign currency risk at the end of the reporting period.

Currency risk sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

A 10% (2018: 10%) strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted transactions.

23. Financial instruments (continued)

23.6 Market risk (continued)

23.6.1 Currency risk (continued)

	Equity and profit or loss	
	2019	**2018**
	RM'000	**RM'000**
Group		
USD	(16)	(144)
JPY	(14)	(19)
EUR	(14)	(15)

A 10% (2018: 10%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

23.6.2 Interest rate risk

The Group's fixed deposits and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group has an informal policy in place and the exposure to interest rate risk is monitored on an ongoing basis.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fixed rate instruments				
Financial assets	206	9,200	186	9,180
Financial liabilities	1,646	1,755	-	-

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

23. Financial instruments (continued)

23.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The tables below analyses other financial instruments at fair value.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Group										
2019										
Financial assets										
Investments in club memberships	-	128	-	128	-	-	-	-	128	128
Fixed income trust fund	8,242	-	-	8,242	-	-	-	-	8,242	8,242
Other investments	9,946	-	-	9,946	-	-	-	-	9,946	9,946
Financial liabilities										
Finance lease liabilities	-	-	-	-	-	-	(284)	(284)	(284)	(284)
2018										
Financial assets										
Investments in club memberships	-	128	-	128	-	-	-	-	128	128
Other investments	11,967	-	-	11,967	-	-	-	-	11,967	11,967
Financial liabilities										
Finance lease liabilities	-	-	-	-	-	-	(481)	(481)	(481)	(490)

23. Financial instruments (continued)

23.7 Fair value information (continued)

	Fair value of financial instruments carried at fair value			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Company				
2019				
Financial assets				
Fixed income trust fund	8,242	-	-	8,242
Other investments	9,946	-	-	9,946
2018				
Financial assets				
Other investments	11,967	-	-	11,967

Level 2 fair value

Investments in club memberships

The fair value of investments in club memberships is based on their latest published membership price.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2018: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial liabilities.

The following table shows the valuation techniques used in the determination of fair value within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments carried not at fair value

Type	Description of valuation technique and inputs used
Finance lease liabilities	Discounted cash flows using a rate based on the current market rate of borrowing of the respective Group entities at the reporting date.

24. Capital management

The Group's objectives when managing capital are to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor adequacy of capital on an ongoing basis.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

25. Capital and other commitments

	Group	
	2019 RM'000	2018 RM'000
Property, plant and equipment		
Contracted but not provided for	13	16

26. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. Key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

The Group has related party relationship with significant investors, subsidiaries, Directors and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are as follows:

	Transaction value for year ended 31 December		Balance outstanding as at 31 December	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Company				
Management fees from subsidiaries	(240)	(240)	-	-
Administration fee paid on behalf of subsidiary	72	137	-	-

The key management personnel compensations are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Directors:				
- Fees	537	550	300	320
- Remuneration	977	953	-	-
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	24	24	-	-
	1,538	1,527	300	320

27. Significant events during and after the financial year end

Significant events during the financial year

i) In January 2019, Pentoli S.R.L., a wholly-owned dormant subsidiary of Steel Crafts Europa S.R.L. was dissolved in accordance with the Italian law.

ii) In February 2019, the Board of Directors had declared an interim single tier dividend via a share dividend distribution of up to 24,390,168 units of treasury shares on the basis of 1 treasury share for every 12 ordinary shares held in respect of the financial year ended 31 December 2019. In March 2019, a total 24,389,364 treasury shares amounting to RM6,824,000 were distributed as share dividend and credited into the entitled shareholders' securities accounts maintained with Bursa Malaysia Depository Sdn Bhd.

iii) In March 2019, the Company had incorporated a wholly-owned subsidiary, Ni Hsin Marketing (HK) Limited. It intended to carry out the business of distribution of the Group's products and trading of general merchandise in Hong Kong, China and the rest of East Asia.

iv) In May 2019, the Company had issued 158,535,265 free warrants on the basis of one (1) free Warrant for every two (2) ordinary shares of the Company. The Warrant is constituted by a Deed Poll dated 24 April 2019 and were listed on Bursa Malaysia Securities Berhad on 21 May 2019.

The main features of the Warrant are as follows:

a) Each Warrant will entitle its registered holder during the exercise period to subscribe for one (1) new ordinary share at the exercise price, which has been fixed at RM0.138 per share subject to adjustments in accordance with the provisions of the Deed Poll dated 24 April 2019 constituting the Warrant;

b) The tenure of Warrant is for a period of three (3) years and may be exercised at any time on or after 21 May 2019. Warrant not exercised during the exercise period shall thereafter lapse and cease to be valid for any purpose; and

c) The new ordinary shares to be issued arising from the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company, save and except that the new ordinary shares will not be entitled to any dividends, rights, allotments and/or other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the new ordinary shares arising from the exercise of the Warrants.

There were no warrants exercised since its issuance. The number of warrants unexercised at the end of the reporting period was 158,535,265. (2018: Nil)

v) In September 2019, the Company had entered into a Heads of Agreement with Satumarin Sdn. Bhd. ("Satumarin") with the intention to enter into mutual discussions relating to the proposed participation in the business and growth of Satumarin and for the Company's business expansion into the marine, oil and gas sector. Subsequently, in October 2019, the Company had entered into an investment agreement ("Agreement") with Encik Mohd Zailani Bin Abdul Razak for the proposed acquisition 49% of the issued share capital in Satumarin for a total cash consideration of RM735,000 subject to the terms and conditions of the Agreement. The transaction was expected to be completed in January 2020.

Significant events after the financial year end

i) In January 2020, the Company and Satumarin had executed a supplemental letter for the purpose to extend the completion period from January 2020 to February 2020. Subsequently, in February 2020, the Company and Satumarin had mutually confirmed that the Agreement has lapsed and ceased to have force and effect due to the non-fulfilment of the conditions precedent to the Agreement in respect of the due diligence findings. The termination of the Agreement would not have any financial impact on the Company and its subsidiaries.

27. Significant events during and after the financial year end (continued)

Significant events after the financial year end (continued)

ii) In February 2020, Inoco Resources Sdn. Bhd., a wholly-owned dormant subsidiary of the Company was disposed to an independent party for RM2. The disposal would not have any financial impact on the Company and its subsidiaries for the financial year ending 31 December 2020.

iii) In February 2020, the Company had entered into an investment agreement ("Agreement") with Seamog Group Sdn. Bhd. ("Seamog") for the proposed subscription of 250,000 ordinary shares for a total cash consideration of RM250,000 ("Proposed Subscription"), subject to the terms and conditions of the Agreement. Upon the completion of the Proposed Subscription, the Company will own 22.73% of equity interest in Seamog and Seamog will become an associate of the Company.

iv) As Covid-19 virus spreads across the world including Malaysia, it was declared a pandemic by World Health Organisation in March 2020. The Covid-19 pandemic has resulted in disruptions to businesses and various macro-economic impacts.

The Group and the Company considered the effects related to this outbreak to be a non-adjusting event as it was not a condition that existed as at 31 December 2019, the end of the reporting period. Accordingly, the current conditions arising from this outbreak do not have an impact on the carrying amounts reported for the financial year ended 31 December 2019.

As at the date of the financial statements are authorised for issuance, the Covid-19 situation is still evolving and unpredictable. As a result, it is not practicable for the Group and the Company to estimate the financial effect of Covid-19 at this juncture. The Group and the Company are actively monitoring and managing the Group's and the Company's operations to minimise any impacts that may arise from Covid-19.

28. Significant changes in accounting policies

During the year, the Group adopted MFRS 16.

Definition of a lease

On transition to MFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied MFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under MFRS 117 and IC Interpretation 4, *Determining whether an Arrangement contains a Lease* were not reassessed. Therefore, the definition of a lease under MFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee

Where the Group is a lessee, the Group applied the requirements of MFRS 16 using modified retrospective approach under which leases were measured at the present value of the remaining lease payments with no adjustment to opening balance of retained earnings at 1 January 2019.

At 1 January 2019, for leases that were classified as operating lease under MFRS 117, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. The weighted-average rate applied is 5%. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying MFRS 16 to leases previously classified as operating lease under MFRS 117:

- applied a single discount rate to a portfolio of leases with similar characteristics;
- applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term as at 1 January 2019;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance lease under MFRS 117, the carrying amounts of the right-of-use asset and the lease liability at 1 January 2019 are determined to be the same as the carrying amount of the leased asset and lease liability under MFRS 117 immediately before that date.

28. Significant changes in accounting policies (continued)

28.1 Impacts on financial statements

Since the Group and the Company applied the requirements of MFRS 16 retrospectively with the cumulative effect of initial application at 1 January 2019, there are no adjustments made to the prior period presented.

The following table explains the difference between operating lease commitments disclosed applying MFRS 117 at 31 December 2018, and lease liabilities recognised in the statement of financial position at 1 January 2019.

	RM'000
Operating lease commitments at 31 December 2018 as disclosed in the financial statements	220
Discounted using the incremental borrowing rate at 1 January 2019	204
Lease liabilities recognised at 1 January 2019	204

STATEMENT BY DIRECTORS
pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 41 to 98 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2019 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Rizvi Bin Abdul Halim
Director

.....
Ng Shwu Ching
Director

Kuala Lumpur
Date: 18 May 2020

STATUTORY DECLARATION
pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Ng Shwu Ching**, the Director primarily responsible for the financial management of Ni Hsin Resources Berhad, do solemnly and sincerely declare that the financial statements set out on pages 41 to 98 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Ng Shwu Ching, NRIC: 670803-10-6136, at Kuala Lumpur on 18 May 2020.

.....
Ng Shwu Ching

Before me:

Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT
To The Members Of Ni Hsin Resources Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ni Hsin Resources Berhad, which comprise the statements of financial position as at 31 December 2019 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 41 to 98.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group

Goodwill of investment in subsidiaries	
Refer to Note 2 (a)(i) and Note 2 (f) - Significant accounting policy: Subsidiaries and Goodwill and Note 6 Goodwill	
The key audit matter	**How the matter was addressed in our audit**
The Group has RM5.1million of goodwill and is solely attributable to the subsidiary which is involved in clad metals and stainless steel convex mirrors business cash-generating unit ("CGU") as at 31 December 2019. This CGU is tested for impairment annually. Management applies the value-in-use (discounted cash flow) method to determine the recoverable amount of CGU. Any shortfall of the recoverable amounts against the carrying amounts would be recognised as impairment losses. The recoverable amounts are determined based on management estimates and assumptions on inputs as disclosed in Note 6 to the financial statements. This is a key audit matter because of the significant judgement required from us to evaluate the assumptions and estimates used in determining the recoverable amount of CGU.	We performed the following audit procedures, among others, around the impairment of goodwill: • We reviewed the basis and assumptions used by the management in the preparation of 5 years cash flow projections. • We challenged the assumptions used in deriving the value-in-use models based on our knowledge of the CGU's operations, and compared them against historical forecast and performance. • We used sensitivity analysis to determine those factors that were most sensitive within the valuation model. • We considered the adequacy of the Group's disclosure about the sensitivity of the outcome of the impairment assessment to changes in key assumptions.

INDEPENDENT AUDITORS' REPORT
To The Members Of Ni Hsin Resources Berhad (continued)

Key Audit Matters (continued)

The key audit matter of the Group

Valuation of inventories	
Refer to Note 2(h) - Significant accounting policy: Inventories and Note 9 Inventories	
The key audit matter	**How the matter was addressed in our audit**
The Group has RM20.4 million of inventories as at 31 December 2019. Inventories are measured at the lower of cost and net realisable value. Valuation of inventories is a key audit matter due to a significant amount of inventories of the Group that are slow moving and there is a significant level of judgement required in: - assessing the Group's assessment that inventories are stated at the lower of cost and net realisable values as the transaction price that could be referenced may not be current and readily available. - assessing the adequacy of the Group's provision for slow-moving inventories.	We performed the following audit procedures, among others, around the valuation of inventories: • We tested the accuracy of the aging of inventories by testing the age profile of the inventory balances to the respective Goods Received Notes, Work Orders, and Handover documents. • We evaluated the Group's inventory net realisable values for finished goods as at 31 December 2019 by comparing the carrying value of the inventories to sales made to external customers subsequent to year end to test whether these exceeded the carrying value of inventory at year end. • For those inventories without sales subsequent to year end, we evaluated the Group's basis of provisioning for slow-moving inventories as at 31 December 2019 based on our understanding of the utilisation and scrap sales of each components of these inventories. • Based on the inventory aging, we assessed the Group's adequacy of provision for slow-moving inventories as at 31 December 2019 by comparing the Group's provision amount to provision computed by us based on our work performed above.

The key audit matter of the Company

Valuation of investment in subsidiaries	
Refer to Note 2(a)(i) - Significant accounting policy: Subsidiaries and Note 7 Investments in subsidiaries	
The key audit matter	**How the matter was addressed in our audit**
The carrying value of investment in subsidiaries amounted to RM56.59million, which accounted for more than 73% of the Company's total assets as at 31 December 2019. Management determines at the end of each reporting period the existence of an objective evidence through which the Company's investment in subsidiaries may be impaired. If there are indicators of impairment, the deficit between recoverable amount of the subsidiary and its carrying value would be recognised in profit or loss. This is a key audit matter because of the significant judgement required from us to evaluate management assumptions and estimates used in determining the recoverable amount of the subsidiary especially when value in use is applicable.	We performed the following audit procedures, among others, around the impairment of subsidiaries: • We compared the carrying amount of all of the investment in subsidiaries with the respective subsidiaries' net assets value to identify whether the net assets values, being an approximation of their maximum recoverable amount, were in excess of the carrying amount for indication whether the investment cost may be impaired. • We reviewed the basis and assumptions used by the management in the preparation of 5 years cash flow projections. • We challenged the assumptions used in deriving the value-in-use models based on our knowledge of the subsidiaries' operations, and compared them against historical forecast and performance. • We used sensitivity analysis to determine those factors that were most sensitive within the valuation model.

INDEPENDENT AUDITORS' REPORT
To The Members Of Ni Hsin Resources Berhad (continued)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT
To The Members Of Ni Hsin Resources Berhad (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 7 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Ow Peng Li
Approval Number: 02666/09/2021 J
Chartered Accountant

Petaling Jaya

18 May 2020

STATEMENT OF SHAREHOLDINGS
As at 1 June 2020

Total number of issued shares	321,514,910 ordinary shares (including shares held as treasury shares)
Class of shares	Ordinary Share
Voting rights	One vote per ordinary share

SIZE OF SHAREHOLDINGS AS AT 1 JUNE 2020

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of shares held	% of issued capital
Less than 100 shares	271	9.24	11,646	0.00
100 to 1,000 shares	343	11.69	97,070	0.03
1,001 to 10,000 shares	736	25.09	3,660,121	1.17
10,001 to 100,000 shares	1,266	43.15	43,008,308	13.82
100,001 to 15,564,917*	317	10.80	195,390,229	62.77
15,564,918 and above **	1	0.03	69,131,000	22.21
Total	2,934	100.00	311,298,374#	100.00

Notes:

Excluding a total of 10,216,536 shares bought-back by the Company and retained as treasury shares as at 1 June 2020

* Less than 5% of issued shares (excluding treasury shares)

** 5% and above of issued shares (excluding treasury shares)

DIRECTORS' SHAREHOLDINGS AS AT 1 JUNE 2020

(As per Register of Directors' Shareholdings)

		Direct Interest		Deemed Interest	
	Name of Directors	No. of shares held	% of issued capital*	No. of shares held	% of issued capital*
1	Sofiyan Bin Yahya	3,366,666	1.08	-	-
2	Rizvi Bin Abdul Halim	-	-	-	-
3	Ng Shwu Ching	-	-	-	-
4	Datin Ida Suzaini Binti Abdullah	-	-	-	-
5	Datuk Tan Choon Hwa	3,670,332	1.18	-	-
6	Leow Chan Khiang	-	-	-	-

Note:

* Excluding a total of 10,216,536 shares bought-back by the Company and retained as treasury shares as at 1 June 2020

STATEMENT OF SHAREHOLDINGS
As at 1 June 2020 (continued)

30 LARGEST SHAREHOLDERS AS AT 1 JUNE 2020
(Without aggregating the securities from different securities accounts belonging to the same Depositor)

	Name of Shareholders	No. of shares held	% of issued capital*
1	M & A Nominee (Tempatan) Sdn Bhd *Pledged securities account for Khoo Chee Kong*	69,131,000	22.21
2	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged securities account for Khoo Chee Kong*	14,500,000	4.66
3	Hsiao, Chih-Che	13,514,570	4.34
4	Palanivel A/L K.V. Sathasivam	9,750,000	3.13
5	Hsiao Chih Jen	9,181,459	2.95
6	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged securities account for Chia Kee Siong*	7,053,041	2.27
7	Lin Shu-Mei	5,466,300	1.76
8	Hsiao Chih Chien	4,809,667	1.55
9	Tee Tiam Lee	4,139,633	1.33
10	Maybank Securities Nominees (Tempatan) Sdn Bhd *Pledged securities account for Zulkifli Bin Ismail*	3,763,833	1.21
11	Amsec Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tan Chon Hwa*	3,670,332	1.18
12	Maybank Securities Nominees (Tempatan) Sdn Bhd *Pledged securities account for Teo Ker-Wei*	3,400,000	1.09
13	Sofiyan Bin Yahya	3,258,333	1.05
14	M & A Nominee (Asing) Sdn Bhd *Pledged securities account for Meng Bin*	3,165,100	1.02
15	Enrich Transaction Sdn Bhd	3,011,666	0.97
16	Maybank Securities Nominees (Tempatan) Sdn Bhd *Pledged securities account for Yap Kim Yu*	2,700,000	0.87
17	Chor Chee Heung	2,491,666	0.80
18	Chen Chee Seang	2,474,000	0.79
19	Norlita Binti Mohd Tahir	2,325,400	0.75
20	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Ching Hong Tat*	2,257,000	0.73
21	Hsiao Tung Wei	2,200,000	0.71
22	Orchard PK Feeds (M) Sdn Bhd	2,083,333	0.67
23	CGS-CIMB Nominees (Tempatan) Sdn Bhd *Pledged securities account for Koh Kin Lip*	1,924,000	0.62
24	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged securities account for Lee Yoke Cheng*	1,600,000	0.51
25	Teoh Hin Heng	1,551,333	0.50
26	Maybank Securities Nominees (Tempatan) Sdn Bhd *Pledged securities account for International Resourcehouse Limited*	1,516,016	0.49
27	HLB Nominees (Tempatan) Sdn Bhd *Pledged securities account for Khoo Chee Kong*	1,500,000	0.48
28	Bong Hon Liong	1,432,100	0.46
29	Maybank Securities Nominees (Tempatan) Sdn Bhd *Pledged securities account for Zulkifli Bin Ismail*	1,383,333	0.44
30	Hoh Tze Kah	1,365,000	0.44
Total		**186,618,115**	**59.98**

Note:
* Excluding a total of 10,216,536 shares bought-back by the Company and retained as treasury shares as at 1 June 2020

SUBSTANTIAL SHAREHOLDERS AS AT 1 JUNE 2020
(As per Register of Substantial Shareholders)

		Direct Interest		Deemed Interest	
	Name of Substantial Shareholder	No. of shares held	% of issued capital *	No. of shares held	% of issued capital *
1	Khoo Chee Kong	85,131,000	27.35	-	-

Note:
* Excluding a total of 10,216,536 shares bought-back by the Company and retained as treasury shares as at 1 June 2020

STATEMENT OF WARRANTHOLDINGS
As at 1 June 2020

No. of warrants in issue	158,535,265
Exercise of warrants	-
Expiry date of the warrants	13 May 2022
Exercise price of the warrants	RM0.138

SIZE OF WARRANTHOLDINGS AS AT 1 JUNE 2020

Size of Shareholdings	No. of Warrant Holders	% of Warrant Holders	No. of Warrants Held	% of issued Warrants
Less than 100 warrants	532	20.94	22,429	0.01
100 to 1,000 warrants	287	11.29	136,282	0.09
1,001 to 10,000 warrants	688	27.08	3,201,083	2.02
10,001 to 100,000 warrants	821	32.31	30,032,938	18.95
100,001 to 7,926,762*	212	8.34	109,997,533	69.38
7,926,763 and above **	1	0.04	15,145,000	9.55
Total	2,541	100.00	158,535,265	100.00

* Less than 5% of issued warrants
** 5% and above of issued warrants

DIRECTORS' WARRANTHOLDINGS AS AT 1 JUNE 2020
(As per Register of Directors' Warrantholdings)

		Direct Interest		Deemed Interest	
	Name of Directors	No. of Warrants Held	% of issued Warrants	No. of Warrants Held	% of issued Warrants
1	Sofiyan Bin Yahya	1,408,332	0.89	-	-
2	Rizvi Bin Abdul Halim	-	-	-	-
3	Ng Shwu Ching	-	-	-	-
4	Datin Ida Suzaini Binti Abdullah	-	-	-	-
5	Datuk Tan Choon Hwa	1,835,166	1.16	-	-
6	Leow Chan Khiang	-	-	-	-

STATEMENT OF WARRANTHOLDINGS
As at 1 June 2020 (continued)

30 LARGEST WARRANT HOLDERS AS AT 1 JUNE 2020
(Without aggregating the securities from different securities accounts belonging to the same Depositor)

	Name of Warrantholders	No. of warrants held	% of issued warrants*
1	M & A Nominee (Tempatan) Sdn Bhd *Pledged securities account for Khoo Chee Kong*	15,145,000	9.55
2	Hsiao, Chih-Che	6,757,285	4.26
3	Palanivel A/L K.V. Sathasivam	4,875,000	3.08
4	Hsiao Chih Jen	4,590,729	2.90
5	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Mohd Fairi Bin Che Wanik*	3,668,200	2.31
6	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged securities account for Chia Kee Siong*	3,526,520	2.22
7	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Chin Hong Tat*	3,428,500	2.16
8	Hsiao Chih Chien	2,404,833	1.52
9	Ang Bon Beng	2,302,500	1.45
10	Ho Yit Lin @ Ho Yuet Ling	2,000,000	1.26
11	Foo Chong Jin	1,900,000	1.20
12	Tee Tiam Lee	1,882,216	1.19
13	Maybank Securities Nominees (Tempatan) Sdn Bhd *Pledged securities account for Zulkifli Bin Ismail*	1,881,916	1.19
14	Amsec Nominees (Tempatan) Sdn Bhd Pledged securities account for Tan Choon Hwa	1,835,166	1.16
15	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Chee Peng Wai*	1,700,000	1.07
16	William Gregory	1,673,600	1.06
17	Mohd Saiful Bin Baharom	1,573,000	0.99
18	Kang Chooi Phaik	1,360,000	0.86
19	Sofiyan Bin Yahya	1,354,166	0.85
20	Enrich Transaction Sdn Bhd	1,305,833	0.82
21	Maybank Securities Nominees (Tempatan) Sdn Bhd *Pledged securities account for Teo Ker-Wei*	1,300,000	0.82
22	Tuan Muhd Firdaus Bin Tuan Ismail @ Tuan Manah	1,300,000	0.82
23	Lim Ee Kay	1,260,000	0.79
24	Koh Hing Choy	1,254,166	0.79
25	Chor Chee Heung	1,245,833	0.79
26	Chen Chee Seang	1,237,000	0.78
27	CGS-CIMB Nominees (Tempatan) Sdn Bhd	1,000,000	0.63
28	Cimsec Nominees (Tempatan) Sdn Bhd	1,000,000	0.63
29	Maybank Nominees (Tempatan) Sdn Bhd Pledged securities account for Tan Tze Yee	920,041	0.58
30	Maybank Securities Nominees (Tempatan) Sdn Bhd *Pledged securities account for Chew Yoke Keow*	895,666	0.56
Total		**76,577,170**	**48.29**

LIST OF PROPERTIES
As at 31 December 2019

No	Location	Description	Existing use	Tenure	Age of buildings (Years) #	Land Area (sq meters)	Built-up Area (sq meters)	Net Book Value RM'000	Year of Last Revaluation/ Acquisition
1	HS (D) 140097, PT No, 71214								
*	(formerly HS(D) 38402, PT No. 20620) Mukim of Kajang District of Ulu Langat Selangor Darul Ehsan	Industrial Land with 2 Storey Office Building and 1 Storey Factory Building	Office Building and Factory	Freehold	29	9,854	6,320	36,732	2016 (revaluation)
*	(formerly HS(D) 23491, PT No. 20621) Mukim of Kajang District of Ulu Langat Selangor Darul Ehsan	Industrial Land with 3 Storey Office Building and 1 Storey Factory Building	Office Building, Factory and Ware-house	Freehold	22	7,865	7,682	-	
2	Unit No. 06, Block BB, 3rd Floor, Taman Taming Jaya held under Strata Title Geran 34049/ M2/4/102, Lot 19716 for Parcel No. 102, Level No. 4, Building No. M2 Mukim of Kajang District of Hulu Langat Selangor Darul Ehsan	1 unit flat housing	Staff accommodation	Freehold	27	–	62	15.67	1990
3	Unit No. 07, Block BB, 3rd Floor, Taman Taming Jaya held under Strata Title Geran 34049/ M2/4/103, Lot 19716 for Parcel No. 103, Level No. 4, Building No. M2 Mukim of Kajang District of Hulu Langat Selangor Darul Ehsan	1 unit flat housing	Staff accommodation	Freehold	27	–	62	15.67	1990
4	Unit No. 08, Block BB, 3rd Floor, Taman Taming Jaya forming part of the land held under Master Title HS(D) 16865, PT No. 17962 Mukim of Kajang District of Hulu Langat Selangor Darul Ehsan	1 unit flat housing	Staff accommodation	Freehold	27	–	62	15.67	1990
5	Unit No. 368-4-1, 4th Floor, Bellisa Row, Jalan Burma, Pulau Pinang held under Strata Title Geran 58485/M1/4/49, Parcel No. 49, Storey No. 4, Building No. M1, Parent Lot No. 2626 Town of Georgetown Section 1 District of North East Pulau Pinang	1 unit shop office	Rental	Freehold	19	–	268	1,225	2015

Notes:

Age of buildings starts from the date of certificate of fitness issued.

* On 16 April 2009, the respective pieces of land have been amalgamated pursuant to the condition imposed by the Securities Commission during the initial public offering.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting of the Company will be held at Perdana Ballroom 1 and 2, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur, Malaysia on Wednesday, 29 July 2020 at 9.30 a.m. to transact the following businesses:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Directors' and Auditors' Reports thereon. **(Please refer to Note 8)**

2. To approve the payment of Directors' fees and benefits payable to the Directors of the Company and its subsidiaries up to an aggregate amount of RM550,000.00 from 30 July 2020 until the next Annual General Meeting ("**AGM**") of the Company.
Ordinary Resolution 1

3. To re-elect Ms Ng Shwu Ching who is retiring pursuant to Clause 95 of the Constitution of the Company.
Ordinary Resolution 2

   Datin Ida Suzaini Binti Abdullah is retiring pursuant to Clause 95 of the Constitution of the Company, has expressed her intention not to seek for re-election. Hence, she will retain office until the conclusion of the Sixteenth AGM.

4. To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.
Ordinary Resolution 3

As Special Business

To consider and, if thought fit, to pass the following resolutions:-

5. **Authority under Section 76 of the Companies Act 2016 ("the Act") for the Directors to allot and issue shares**

   "THAT pursuant to Section 76 of the Act, the Directors be and are hereby authorised to allot and issue shares in the Company to such persons, at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares (excluding treasury shares) to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issuance."
Ordinary Resolution 4

6. **Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares ("Proposed Renewal of Share Buy-Back Authority")**

   "THAT subject to the Act, the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant authority or approval for the time being in force or as may be amended from time to time, the Directors of the Company be and are hereby authorised to utilise an amount not exceeding the audited retained profits of the Company to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:-

   (a) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time of the said purchase(s);

   (b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained profits of the Company at the time of purchase; and

NOTICE OF ANNUAL GENERAL MEETING
(continued)

6. **Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares ("Proposed Renewal of Share Buy-Back Authority") (continued)**

   (c) the authority conferred by this resolution shall continue to be in force until:-

   (i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

   (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

   (iii) revoked or varied by an ordinary resolution passed by the shareholders in general meeting,

   whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

   THAT authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either retain the shares so purchased as treasury shares (as defined in Section 127 of the Act) and/or to cancel the shares so purchased and if retained as treasury shares, may resell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them or in any manner as prescribed by the Act and the requirements of the Bursa Securities and any other relevant authority for the time being in force.

   AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including executing all such documents as may be required) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the said Directors may deem fit and expedient in the best interests of the Company." **Ordinary Resolution 5**

7. To transact any other business for which due notice shall have been given in accordance with the Act.

BY ORDER OF THE BOARD
TAI YIT CHAN (MAICSA 7009143)
TAN AI NING (MAICSA 7015852)
Company Secretaries

Selangor Darul Ehsan

Date: 26 June 2020

NOTES:-

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

2. A member of the Company may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

NOTICE OF ANNUAL GENERAL MEETING
(continued)

4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.

5. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the office of the Company's Share Registrar, Bina Management (M) Sdn. Bhd. at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof, otherwise the instrument of proxy should not be treated as valid. Any notice of termination of person's authority to act as a proxy must be forwarded to the Company prior to the commencement of the AGM or Adjourned AGM.

6. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in the notice of the general meeting will be put to vote by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 20 July 2020 and only a Depositor whose name appears in such Record of Depositors shall be entitled to attend and vote at this meeting and entitled to appoint proxy or proxies.

8. The Audited Financial Statements in Agenda 1 is meant for discussion only as approval from shareholders is not required pursuant to the provision of Section 340(1)(a) of the Act. Hence, this Agenda is not put forward for voting by shareholders of the Company.

9. The Sixteenth AGM of the Company will be conducted in compliance with the General Standard Operating Procedures to Government and Private Sector ("SOP") issued by Malaysian National Security Council on 16 June 2020. The attendance of members/proxies and invited guests may be denied if failure to fulfill the requirements of participants in accordance with the SOP.

10. Pursuant to the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 June 2020, members, proxyholders and corporate representatives ("Participants") who will be attending the AGM in person are required to pre-register themselves with the Company by providing their name, NRIC/Passport No. and CDS account no. to the Company via email at info@ni-hsin.com not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof, otherwise the attendance of Participants in person will be denied. Participants will be notified via email once your registration is successful. Participants are required to download MySejahtera application and scan the QR code during the registration process. There will be no food or drinks served for participants who participate at the AGM.

11. The Board wishes to highlight that the Sixteenth AGM may be re-scheduled and/or postponed in view of the current COVID-19 Outbreak and the Malaysian Government's announcements or guidelines made from time to time. Rest assured, all members/ proxies including attendees shall be kept informed of any unexpected changes.

12. **EXPLANATORY NOTES ON SPECIAL BUSINESS**

(i) Ordinary Resolution No. 4 - Authority under Section 76 of the Companies Act 2016 ("the Act") for the Directors to allot and issue shares

The Company had, during its Fifteenth AGM held on 27 June 2019, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to the Section 76 of the Act. As at the date of this notice, the Company did not issue any shares pursuant to this mandate obtained.

The Ordinary Resolution 4 proposed under item 5 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 76 of the Act. The Ordinary Resolution 4, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for purpose of funding the working capital or future investments of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

12. **EXPLANATORY NOTES ON SPECIAL BUSINESS (continued)**

(ii) Ordinary Resolution No. 5 - Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares

The explanatory notes on Ordinary Resolution 5 are set out in the Statement to Shareholders dated 26 June 2020.

Personal data privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

No. of shares held

CDS Account No.

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

I/We*, _____ (name of shareholder as per NRIC, in capital letters)

NRIC No./Passport No./Company No.* _____ of _____

_____ (full address)

telephone no. _____ and email address _____ being a member/

members* of NI HSIN RESOURCES BERHAD, hereby appoint(s):-

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address			
Telephone No.			
and/ or*			
Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address			
Telephone No.			

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Sixteenth Annual General Meeting of the Company to be held at Perdana Ballroom 1 and 2, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur, Malaysia on Wednesday, 29 July 2020 at 9.30 a.m. or at any adjournment thereof in respect of my/our shareholding in the manner indicated below:-

No.	**Ordinary Resolution**	**For**	**Against**
Ordinary Resolution 1	To approve the payment of Directors' fees and benefits payable to the Directors of the Company and its subsidiaries up to an aggregate amount of RM550,000.00 from 30 July 2020 until the next Annual General Meeting of the Company.		
Ordinary Resolution 2	To re-elect Ms Ng Shwu Ching who is retiring pursuant to Clause 95 of the Constitution of the Company.		
Ordinary Resolution 3	To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 4	Authority under Section 76 of the Companies Act 2016 for the Directors to allot and issue shares.		
Ordinary Resolution 5	Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares.		

**Strike out whichever is not desired.*

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

.....
Signature/Common Seal of Member/(s)

Number of shares held: .....

Date: .....

NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. A member of the Company may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the office of the Company's Share Registrar, Bina Management (M) Sdn. Bhd. at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof, otherwise the instrument of proxy should not be treated as valid. Any notice of termination of person's authority to act as a proxy must be forwarded to the Company prior to the commencement of the Annual General Meeting or Adjourned Annual General Meeting.
6. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice of the general meeting will be put to vote by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 20 July 2020 and only a Depositor whose name appears in such Record of Depositors shall be entitled to attend and vote at this meeting and entitled to appoint proxy or proxies.
8. The Sixteenth Annual General Meeting of the Company will be conducted in compliance with the General Standard Operating Procedures to Government and Private Sector ("SOP") issued by Malaysian National Security Council on 16 June 2020. The attendance of members/proxies and invited guests may be denied if failure to fulfill the requirements of participants in accordance with the SOP.
9. Pursuant to the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 June 2020, members, proxyholders and corporate representatives ("Participants") who will be attending the Annual General Meeting in person are required to pre-register themselves with the Company by providing their name, NRIC/Passport No. and CDS account no. to the Company via email at info@ni-hsin.com not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof, otherwise the attendance of Participants in person will be denied. Participants will be notified via email once your registration is successful. Participants are required to download MySejahtera application and scan the QR code during the registration process. There will be no food or drinks served for participants who participate at the Annual General Meeting.

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 26 June 2020.

Fold this flap for sealing

Then fold here

Affix stamp

The Share Registrar
Ni Hsin Resources Berhad **(200401014850(653353-W))**
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor Darul Ehsan
Malaysia

1st fold here

NI HSIN

Your Global Partner

SINCE 1989

Ni Hsin Resources Berhad
(Registration No. 200401014850 (653353-W))

45, Jalan Taming Dua, Taman Taming Jaya, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia.

T : (603) 8961 6815 | F : (603) 8961 3941 | E : info@ni-hsin.com | www.ni-hsin.com