

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 %	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