



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

INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED

31 MARCH 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**
(The figures have not been audited)

	Note	CURRENT QUARTER 3 MONTHS ENDED			CUMULATIVE QUARTER 3 MONTHS ENDED		
		31.03.2023 RM'000	31.03.2022 RM'000	Changes (%)	31.03.2023 RM'000	31.03.2022 RM'000	Changes (%)
Revenue	A12	6,657	8,766	-24%	6,657	8,766	-24%
Cost of sales		(4,719)	(5,818)		(4,719)	(5,818)	
Gross Profit		1,938	2,948	-34%	1,938	2,948	-34%
<i>Gross profit margin (%)</i>		29%	34%		29%	34%	
Other (loss)/income		323	557		323	557	
Operating expenses		(3,321)	(3,308)		(3,321)	(3,308)	
Operating (loss)/profit	A13	(1,060)	197	638%	(1,060)	197	638%
Finance income		3	1		3	1	
Finance costs		(78)	(81)		(78)	(81)	
Share of profit/(loss) of equity- accounted associate, net of tax		(45)	(40)		(45)	(40)	
Profit/(Loss) before taxation		(1,180)	77	1632%	(1,180)	77	1632%
Income tax expenses	B6	(59)	(33)		(59)	(33)	
Profit/(Loss) for the period		(1,239)	44	2916%	(1,239)	44	2916%
Other comprehensive income/(expense), net of tax							
Revaluation of property		-	-		-	-	
<u>Item that may be subsequently reclassified to profit or loss:</u>							
Foreign currency translation differences for foreign operations		(5)	(9)		(5)	(9)	
Other comprehensive expense for the year, net of tax		(5)	(9)		(5)	(9)	
Total comprehensive income/(expense) for the period		(1,244)	35	3654%	(1,244)	35	3654%
Profit attributable to:							
Owners of the Company		(1,247)	44		(1,247)	44	
Non-controlling interests		8	-		8	-	
Profit for the period		(1,239)	44		(1,239)	44	
Total comprehensive income/(expense) attributable to:							
Owners of the Company		(1,252)	35		(1,252)	35	
Non-controlling interests		8	-		8	-	
Total comprehensive income/(expense) the period		(1,244)	35		(1,244)	35	
Earnings per share (sen)							
~ Basic	B12	(0.24)	0.01		(0.24)	0.01	
~ Diluted	B12	(0.24)	0.01		(0.24)	0.01	

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

NI HSIN GROUP BERHAD

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

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 MARCH 2023**

(The figures have not been audited)

	Note	AS AT 31.03.2023 RM'000	AS AT 31.12.2022 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	A9	55,639	56,262
Intangible assets		215	74
Investment property		-	-
Right-of-use assets		1,008	1,076
Goodwill		7,527	5,633
Investment in associate		108	153
Deferred tax asset		-	-
Other investment		1,752	1,752
		<u>66,249</u>	<u>64,950</u>
Current assets			
Inventories		24,166	23,536
Receivables, deposits and prepayments		5,327	5,081
Derivative financial assets	B11	-	-
Current tax assets		478	395
Cash and cash equivalents		17,889	22,054
		<u>47,860</u>	<u>51,066</u>
TOTAL ASSETS		<u>114,109</u>	<u>116,016</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		84,428	84,428
Reserves		11,892	13,537
Equity attributable to owners of the Company		<u>96,320</u>	<u>97,965</u>
Non-controlling interest		238	230
Total equity		<u>96,558</u>	<u>98,195</u>
Non-current liabilities			
Deferred tax liability		3,546	3,479
Borrowings	B7	521	595
Redeemable Convertible Preference Shares (RCPS)		6,280	6,246
- Liability component			
Lease liabilities		717	868
		<u>11,064</u>	<u>11,188</u>
Current liabilities			
Payables and accruals		4,868	4,395
Borrowings	B7	1,128	1,838
Redeemable Convertible Preference Shares (RCPS)		162	160
- Liability component			
Lease liabilities		329	240
Derivative financial liabilities	B11	-	-
		<u>6,487</u>	<u>6,633</u>
Total liabilities		<u>17,551</u>	<u>17,821</u>
TOTAL EQUITY AND LIABILITIES		<u>114,109</u>	<u>116,016</u>
Net Assets per share attributable to owners of the Company (RM)		0.18	0.21

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

NI HSIN GROUP BERHAD
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

(The figures have not been audited)

	/----- Non-distributable -----					Distributable		Non-	Total	
	Share	Treasury	Translation	RCPS - equity	Revaluation	Other	Retained Profits /	controlling	Equity	
	Capital	Shares	Reserve	component	Reserve	Reserve	(Accumulated	Interest		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	losses)	RM'000	RM'000	
							RM'000		RM'000	
At 1 January 2022	81,062	(5,549)	163	137	23,758	9,206	(7,695)	101,082	-	101,082
Foreign currency translation differences for foreign operations	-	-	(9)	-	-	-	-	(9)	-	(9)
Reclassification of financial assets from fair value through other comprehensive income to fair value	-	-	-	-	-	-	-	-	-	-
Revaluation of property - change of tax rate	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income/(expense) for the period	-	-	(9)	-	-	-	-	(9)	-	(9)
Profit for the period	-	-	-	-	-	-	44	44	-	44
Total comprehensive income/ (expense) for the period	-	-	(9)	-	-	-	44	35	-	35
<i>Contributions by and distributions to owners of the Company</i>										
Own shares acquired	-	(258)	-	-	-	-	-	(258)	-	(258)
Own shares sold	-	-	-	-	-	-	-	-	-	-
Warrant exercised	810	-	-	-	-	-	-	810	-	810
Issuance of RCPS	-	-	-	-	-	-	-	-	-	-
RCPS conversion	-	-	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiary	-	-	-	-	-	-	-	-	-	-
Total transactions with the owners of the Company	810	(258)	-	-	-	-	-	552	-	552
At 31 March 2022	81,872	(5,807)	154	137	23,758	9,206	(7,651)	101,669	-	101,669
At 1 January 2023	84,428	(6,783)	151	137	23,758	9,206	(12,932)	97,965	230	98,195
Foreign currency translation differences for foreign operations	-	-	(5)	-	-	-	-	(5)	-	(5)
Revaluation of property	-	-	-	-	-	-	-	-	-	-
Fair value of available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income/(expense) for the period	-	-	(5)	-	-	-	-	(5)	-	(5)
Profit/(Loss) for the period	-	-	-	-	-	-	(1,247)	(1,247)	8	(1,239)
Total comprehensive income/ (expense) for the period	-	-	(5)	-	-	-	(1,247)	(1,252)	8	(1,244)
<i>Contributions by and distributions to owners of the Company</i>										
Own shares acquired	-	(388)	-	-	-	-	-	(388)	-	(388)
Own shares sold	-	-	-	-	-	-	-	-	-	-
Issuance of RCPS	-	-	-	-	-	-	-	-	-	-
RCPS conversion	-	-	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiary	-	-	-	-	-	-	(5)	(5)	-	(5)
Total transactions with the owners of the Company	-	(388)	-	-	-	-	(5)	(393)	-	(393)
At 31 March 2023	84,428	(7,171)	146	137	23,758	9,206	(14,184)	96,320	238	96,558

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

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

(The figures have not been audited)

	3 MONTHS ENDED	
	31.03.2023	31.03.2022
	RM'000	RM'000
Cash flows from operating activities		
Profit/ (Loss) before tax	(1,180)	77
Adjustments:		
Depreciation on property, plant and equipment	785	638
Depreciation on investment property	-	-
Depreciation on right-of-use assets	69	49
Depreciation on intangible assets	28	28
Loss/(Gain) on disposal of property, plant and equipment	-	-
Loss/(Gain) on disposal of investment property	-	-
Write off of property, plant and equipment	-	1
Interest expenses	78	81
Interest income	(3)	(1)
Dividend income	(7)	(13)
Net gain on foreign exchange	(49)	(46)
Share of profit/(loss) of equity-accounted associate	45	40
(Gain)/ loss on disposal of quoted or unquoted investments	-	-
Net loss/ (gain) in fair value of financial instruments measured at fair value	(90)	(399)
Operating profit before changes in working capital	<u>(324)</u>	<u>455</u>
Changes in working capital:		
Decrease/(Increase) in operating assets	(747)	(998)
(Increase)/Decrease in operating liabilities	452	(6)
Cash generated from operations	<u>(619)</u>	<u>(549)</u>
Income taxes paid	(69)	(24)
Income taxes refunded	-	55
Interest paid	(33)	(11)
Interest received	3	1
Net cash generated from/(used in) operating activities	<u>(718)</u>	<u>(528)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(162)	(578)
Purchase of intangible assets	(169)	-
Acquisition of other investments	-	(1,023)
Acquisition of subsidiary, net of cash and cash equivalents acquired	(1,894)	-
Acquisition of non-controlling interests	-	-
Investment in associate	-	-
Proceeds from disposal of property, plant and equipment	-	-
Proceeds from disposal of investment property	-	-
Proceeds from disposal of other investments	-	-
Dividend income	7	13
Net cash generated from/(used in) investing activities	<u>(2,218)</u>	<u>(1,588)</u>
Cash flows from financing activities		
Net (repayment)/ proceeds of bankers' acceptances	(340)	304
Proceeds/(Payments) of hire purchase liabilities	(76)	(64)
Payments of lease liabilities	(70)	(51)
Repurchase of treasury shares	(388)	(258)
Proceeds from exercise of warrants	-	810
Proceeds from conversion of redeemable convertible preference shares	-	-
Proceeds from sales of treasury shares	-	-
Net cash generated from/(used in) financing activities	<u>(874)</u>	<u>741</u>
Net increase in cash and cash equivalents	(3,810)	(1,375)
Effect of exchange rate fluctuations on cash held	13	5
Cash and cash equivalents at 1 January	20,866	28,183
Cash and cash equivalents at 31 March	<u>17,069</u>	<u>26,813</u>
Cash and cash equivalent at the end of the financial period comprise the following :		
	RM'000	RM'000
Deposits with licensed bank	219	208
Bank and Cash balances	5,306	6,034
Fixed income trust fund	12,364	20,865
Bank overdraft (included within short term borrowings in Note B7)	(820)	(294)
	<u>17,069</u>	<u>26,813</u>

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

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING****A1 BASIS OF PREPARATION**

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

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

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2022.

A2 SIGNIFICANT ACCOUNTING POLICIES

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

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

MFRS 17, Insurance Contracts

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

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

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

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

(b) Standards issued but not yet effective

Effective for financial periods commencing on or after 1 January 2024

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

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

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

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

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

A3 AUDITORS' REPORT ON PRECEDING FINANCIAL STATEMENTS

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

A4 SEASONAL OR CYCLICAL FACTORS

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

A5 CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in prior financial period that have a material effect in the current quarter and financial period ended 31 March 2023.

A6 UNUSUAL ITEMS DUE TO THE NATURE, SIZE OR INCIDENCE

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows during the current quarter and financial period ended 31 March 2023.

A7 MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates that have a material effect on the results for the current quarter and financial period ended 31 March 2023.

A8 ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

Save as disclosed below, there were no issuance and repayment of debt and equity securities, share buy-backs, share dividend, and/or share cancellation for the current quarter and financial period ended 31 March 2023.

(a) Share Buy-backs

At the Annual General Meeting of the Company held on 23 May 2022, the shareholders of the Company had renewed a mandate for the Company to purchase and/or hold up to maximum of 10% of the issued share capital of the ordinary shares of the Company as may be determined by the Directors of the Company. The mandate will expire upon the conclusion of the next Annual General Meeting.

As at 31 March 2023, the total number of shares bought back and held as treasury shares were 49,345,336 ordinary shares, representing 8.61% of the total issued share capital of the Company. The shares purchased are being held as treasury shares. None of the treasury shares were cancelled during the current quarter and financial period ended 31 March 2023.

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

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

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

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

(b) Redeemable Convertible Preference Shares (RCPS)

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

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

As at 31 March 2023, 59,678,600 RCPS were converted into 59,678,600 new ordinary shares pursuant to the exercise of conversion rights of RCPS 2021/2026.

A9 PROPERTY, PLANT AND EQUIPMENT

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

A10 CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations during the current quarter and financial period ended 31 March 2023, except for the following:

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

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

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

A11 DIVIDEND PAID

No dividend was paid during the current quarter and financial period ended 31 March 2023.

A12 SEGMENTAL INFORMATION

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

RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	Current Quarter		Cumulative Quarter	
	3 months ended	3 months ended	3 months ended	3 months ended
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
Revenue from:				
Cookware	1,938	3,533	1,938	3,533
Stainless steel products	3,681	4,786	3,681	4,786
Food and beverages	1,022	338	1,022	338
Logistics	614	1,741	614	1,741
Others	369	12	369	12
Total revenue including inter-segment sales	7,624	10,410	7,624	10,410
Elimination of inter-segment sales	(967)	(1,644)	(967)	(1,644)
Total	6,657	8,766	6,657	8,766
Results from:				
Cookware	(482)	223	(482)	223
Stainless steel products	18	502	18	502
Food and beverages	(639)	(722)	(639)	(722)
Logistics	30	(103)	30	(103)
Others	924	87	924	87
	(149)	(13)	(149)	(13)
Elimination of inter-segment results	(939)	111	(939)	111
Total result	(1,088)	98	(1,088)	98
Unallocated corporate income/(expenses)	28	99	28	99
Finance income	3	1	3	1
Finance costs	(78)	(81)	(78)	(81)
Share of profit/(loss) of equity-accounted associate	(45)	(40)	(45)	(40)
Income tax expense	(59)	(33)	(59)	(33)
Loss for the period	(1,239)	44	(1,239)	44

Segment Assets

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

	As at	As at
	31.03.2023	31.12.2022
Cookware	60,075	62,167
Stainless steel products	24,507	24,949
Food and beverages	10,823	6,306
Logistics	1,354	1,669
Others	18,091	21,440
	114,850	116,531
Elimination of inter-segment assets	(13,859)	(14,444)
Total segment assets	100,991	102,087
Unallocated corporate assets	13,118	13,929
Total assets	114,109	116,016

A12 SEGMENTAL INFORMATION (CONT.)

Segment Liabilities

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

	As at 31.03.2023	As at 31.12.2022
	RM'000	RM'000
Cookware	5,213	6,806
Stainless steel products	3,227	3,907
Food and beverages	20,219	20,276
Logistics	812	1,144
Others	10,675	8,891
	<hr/>	<hr/>
	40,146	41,024
Elimination of inter-segment liabilities	(26,141)	(26,707)
Total segment liabilities	<hr/>	<hr/>
	14,005	14,317
Unallocated corporate liabilities	3,546	3,504
Total liabilities	<hr/> <hr/>	<hr/> <hr/>
	17,551	17,821

A13 OPERATING PROFIT/(LOSS)

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Operating profit/(loss) is arrived at after charging and (crediting):				
Finance income	(3)	(1)	(3)	(1)
Other income including investment income	-	-	-	-
Rental income	-	-	-	-
Depreciation on property, plant and equipment	785	638	785	638
Depreciation on investment property	-	-	-	-
Depreciation on intangible assets	28	28	28	28
Depreciation on right-of-use assets	69	49	69	49
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Provision for and write off of property, plant and equipment	-	1	-	1
(Gain)/ loss on disposal of quoted or unquoted investments	-	-	-	-
(Gain)/ loss on disposal of property, plant and equipment	-	-	-	-
(Gain)/ loss on disposal of investment property	-	-	-	-
Impairment of assets	-	-	-	-
Net (gain)/ loss on foreign exchange - unrealised	(49)	(46)	(49)	(46)
Net (gain)/ loss on foreign exchange - realised	(143)	(72)	(143)	(72)
Net (gain)/loss in fair value of financial instruments measured at fair value	(90)	(399)	(90)	(399)
Share-based payments	-	-	-	-
Net (gain)/ loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-
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A14 FINANCE COSTS

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Bank overdrafts	23	6	23	6
Bankers' acceptances	-	5	-	5
Hire purchases	9	9	9	9
Lease liabilities	9	8	9	8
RCPS	37	53	37	53
	<u>78</u>	<u>81</u>	<u>78</u>	<u>81</u>

A15 SUBSEQUENT EVENTS

There were no material events subsequent to the end of the quarter that have not been reflected in the financial statements for the financial period under review except for the effect of COVID-19 pandemic as explained in Item B3 in this report.

A16 CONTINGENT ASSETS AND LIABILITIES

Save as disclosed below, the Company is not aware of any other contingent liabilities as at 31 March 2023:

	31.03.2023
	RM'000
- Corporate guarantee given by the Company to licensed banks for credit facilities granted to subsidiaries	26,140
	<u>26,140</u>

A17 CAPITAL COMMITMENT

Capital commitments not provided for in the financial statements as at 31 March 2023 are as follows:

	31.03.2023
	RM'000
Approved and contracted for	
- Plant & Machineries	243
	<u>243</u>

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

B1 OPERATING SEGMENTS REVIEW

Quarter Ended 31 March 2023 ("Q1 2023") vs Quarter Ended 31 March 2022 ("Q1 2022")

The Group's revenue and Loss Before Taxation ("LBT") were approximately RM6.66 million and RM1.18 million respectively for Q1 2023. Revenue in Q1 2023 was lower by 24.06% as compared with the revenue in Q1 2022 mainly due to lower of sales in cookware and logistics services. The Group's gross profit ("GP") margin for Q1 2023 was decreased to 29.11% compared with the GP margin of 33.63% achieved in Q1 2022. Other income in Q1 2023 was slightly decreased to RM0.32 million compared to RM0.56 million in Q1 2022. Operating expenses in Q1 2023 was consistent as compared with Q1 2022 at RM3.32 million. The Group recorded a LBT of RM1.18 million in Q1 2023 as compared to Profit Before Taxation of RM0.08 million in Q1 2022 as a result of lower sales performance. The Loss After Taxation ("LAT") in Q1 2023 was RM1.24 million versus Profit After Taxation of RM0.04 million recorded in Q1 2022.

3 Months Period Ended 31 March 2023 ("3M2023") vs 3 Months Period Ended 31 March 2022 ("3M2022")

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

(i) Cookware Division

The Cookware Division's revenue for 3M2023 decreased by RM1.46 million or 46.3% to RM1.69 million compared with the revenue achieved in 3M2022 of RM3.15 million as sales to Japan and USA & Canada decreased by RM0.86 million and RM0.80 million respectively. However, the sales to Asia Pacific (excluding Japan) increased by RM0.19 million. The cookware revenue by geographical market for 3M2023 is as follows:

	3 MONTHS ENDED		Increase/ (Decrease)	%
	31.03.2023	31.03.2022		
	RM'000	RM'000	RM'000	
Japan	531	1,391	(860)	-61.8%
Asia Pacific (excluding Japan)	1,082	896	186	20.8%
USA & Canada	-	798	(798)	-100.0%
Europe	81	67	14	20.9%
	<u>1,694</u>	<u>3,152</u>	<u>(1,458)</u>	<u>-46.3%</u>

(ii) Stainless Steel Products Division

The Stainless Steel Products Division's revenue for 3M2023 decreased by RM0.71 million or 18.9% to RM3.07 million compared with the revenue achieved in 3M2022 of RM3.78 million due to lower sales to Japan and Korea.

(iii) Food and Beverages Division

The Food and Beverages Division's revenue for 3M2023 was RM0.97 million as compared to RM0.20 million in 3M2022. The Division generated a higher revenue for 3M2023 as the cafe and restaurant commenced business in end July 2022.

(iv) Logistics

The Logistics Division's revenue for 3M2023 was RM0.56 million as compared to RM1.62 million in 3M2022. The Division generated a lower revenue for 3M2023 as the logistics business is slowed down in the market for Q12023 as supply chains are beginning to normalise, alleviating some pressure on demand.

The Group's net assets per share as at 31 March 2023 stood at RM0.18. The Group's non-current assets increased to RM66.25 million compared with the non-current assets of RM64.95 million as at 31 December 2022 due to recognition of goodwill and increase in intangible assets of RM1.89 million and RM0.17 million respectively. Inventories increased to RM24.17 million as at 31 March 2023 as the Group stocked up inventories for the Food and Beverages Division. Receivables, deposits and prepayments recorded a slight increase of RM0.25 million to RM5.33 million as compared to that in 31 December 2022. The Group's net current assets was RM41.37 million as at 31 March 2023. The Group is in a positive net cash position as at 31 March 2023 with cash and cash equivalent of RM16.24 million after deducting all borrowings of the Group.

B1 OPERATING SEGMENTS REVIEW (CONT.)

3 Months Period Ended 31 March 2023 ("3M2023") vs 3 Months Period Ended 31 March 2022 ("3M2022") (Cont.)

The Group's net operating cash outflow for 3M2023 was RM0.72 million. The net cash outflow from investing activities was RM2.22 million, being investment in an equity interest of a subsidiary and purchase of plant and equipment. Net cash outflow from financing activities was RM0.87 million, mainly attributable to the cost of repurchase of treasury shares and repayment of bank borrowings. The net resultant impact to the Group's cash flow was a decrease in cash of RM3.81 million during 3M2023. Net cash and cash equivalents amounted to RM17.07 million as at 31 March 2023.

B2 COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	3 months ended 31.03.2023	3 months ended 31.12.2022	Changes
	RM'000	RM'000	%
Revenue	6,657	8,108	-18%
Gross profit ("GP")	1,938	2,777	-30%
Operating (loss)/profit	(1,060)	(1,696)	-38%
(Loss)/Profit before taxation ("LBT)/PBT")	(1,180)	(1,854)	36%
(Loss)/Profit for the period	(1,239)	(2,442)	-49%
(Loss)/Profit attributable to the owners of the Company	(1,247)	(2,419)	-48%

The Group's revenue in Q1 2023 was lower by RM1.45 million compared with Q4 2022. Consistently, the Group GP was lower in Q1 2023. The Group recorded a Loss Before Taxation ("LBT") of RM1.18 million in the first quarter of 2023 as compared to LBT of RM1.85 million in the immediate preceding quarter.

B3 COMMENTARY ON PROSPECT

Global economic momentum will ease this year, chiefly due to slowdowns in developed economies amid monetary policy tightening. However, improving global supply chains and stronger growth in China will temper the deceleration. Larger-than-expected rate hikes, an intensification of the Russia-Ukraine war, U.S.-China tensions and additional bank collapses pose risks.

Global inflation will ebb this year due to monetary tightening, improved supply chains and lower average commodity prices. (Source: FocusEconomics)

On the local front, following Q4's quarter-on-quarter contraction, the Malaysian economy likely rebounded in Q1. Merchandise exports posted the strongest month-on-month expansion in nine months in March, also beating market expectations, although they fell year on year due to a high base effect.

Inflation eased to 3.4% in March (February: 3.7%), driven by softer transport price pressures stemming from lower petrol costs. Subsidies, tighter financing conditions and lower commodity prices should bring the headline rate within the Central Bank's 2.0–3.0% target range in 2023. Higher wages and the potential removal of fuel subsidies pose upside risks. (Source: Bank Negara Malaysia)

With rise of global warming and environmental awareness, all means of transportation, including motorcycles, are bound to go electric. Coupled with government incentives and tax exemptions for electric vehicles (EVs) in its federal budget earlier this year in view of its environmental, social and governance (ESG) ambitions we foresee a bright future for our EV division. The Group is in discussions with various government departments and agencies as well as GLCs to educate and promote the adoption of EV motorcycles to assist the government to achieve its ESG ambitions.

The Blackbixon Café & Restaurant business has been encouraging. The Group is planning to open several outlets in the Klang Valley within the next couple of years.

The Group is confident the stainless steel cookware and stainless steel products segment will remain robust due to the long-term relationship with the existing customers and the well established reputation of the Group. The Group will continue to maintain and improve product quality, focus on innovating products portfolio, monitoring costs, broadening the marketing network and addressing the needs of consumers to ensure business continuity.

B4 STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

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

B5 VARIANCES FROM PROFIT FORECAST OR PROFIT GUARANTEE

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

B6 TAXATION

	Current Quarter 3 months ended 31.03.2023 RM'000	Cumulative Quarter 3 months ended 31.03.2023 RM'000
In respect of the current period		
- Malaysian tax	-	-
- Deferred tax	165	165
	<u>165</u>	<u>165</u>
In respect of the prior year		
- Malaysian tax	-	-
- Deferred tax	(106)	(106)
	<u>(106)</u>	<u>(106)</u>
	<u>59</u>	<u>59</u>

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

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

B7 GROUP BORROWINGS AND DEBT SECURITIES

Save as disclosed below, there were no other borrowings or debt securities in the Group as at 31 March 2023:

	As at 31.03.2023 RM'000	As at 31.12.2022 RM'000
Non-current:		
Hire purchase liabilities	521	595
Current:		
Bank overdraft - unsecured	820	1,188
Bankers' acceptance - unsecured	-	340
Hire purchase liabilities	308	310
	<u>1,128</u>	<u>1,838</u>
	<u>1,649</u>	<u>2,433</u>

All borrowings are denominated in Malaysia Ringgit.

B8 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

As at 31 March 2023, the Group does not have any financial liabilities measured at fair value through profit or loss.

B9 CHANGES IN MATERIAL LITIGATION

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

B10 STATUS OF CORPORATE PROPOSALS

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

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

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

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

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

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

- (4) Update on the status of MOA entered into between Hai-O Enterprise Bhd. ("HOE") and NHEVT, a wholly owned subsidiary of the Company

On 22 November 2022, NHEVT entered into a MOA with HOE with the intention to enter into a collaboration with HOE to market, promote and distribute TAILG EBIXON EV Motorcycles on an outright purchase or rent-to-own business model via HOE's platform of local entrepreneurs.

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

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

(hereinafter collectively referred to as "MOUs")

As at the date of this report, all the MOUs are still ongoing, except for the MOA entered into between HOE and NHEVT that the Parties had on 19 May 2023 mutually decided not to renew the MOA as there were no further developments in the areas of collaboration and such MOA has expired and lapsed on 22 May 2023.

B11 FINANCIAL INSTRUMENTS

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

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

Outstanding derivatives

The Group had not entered into any new type of derivatives in the current interim quarter that was not disclosed in the preceding year's annual financial statements. As at 31 March 2023, the Group does not have any outstanding derivative financial instruments.

B11 FINANCIAL INSTRUMENTS (CONT.)

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

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

B12 EARNINGS PER SHARE ("EPS")

(a) Basic

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

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Basic EPS				
(Loss)/Profit attributable to owners of the Company (RM '000)	(1,247)	44	(1,247)	44
Weighted average no. of ordinary shares in issue ('000)	524,054	430,491	524,054	430,491
Basic EPS (sen)	<u>(0.24)</u>	<u>0.01</u>	<u>(0.24)</u>	<u>0.01</u>

(b) Diluted

As at 31 March 2023, the effects of warrants and RCPS on issue are anti-dilutive.

B13 DIVIDEND

No interim dividend has been recommended for the current quarter.

B14 AUTHORISATION FOR ISSUE

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

On behalf of the Board of Directors
NI HSIN GROUP BERHAD

SOFIYAN BIN YAHYA
Independent Non-Executive Chairman

Date: 30 May 2023