



**NI HSIN**

**NI HSIN RESOURCES BERHAD**

(Company No.: 653353-W)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS**

**FOR THE QUARTER ENDED**

**31 DECEMBER 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**  
(The figures have not been audited)

	Note	CURRENT QUARTER 3 MONTHS ENDED			CUMULATIVE QUARTER 12 MONTHS ENDED		
		31.12.2018 RM'000	31.12.2017 RM'000	Changes (%)	31.12.2018 RM'000	31.12.2017 RM'000	Changes (%)
Revenue	A12	9,796	10,152	-4%	33,195	39,612	-16%
Cost of sales		(6,961)	(6,670)		(25,420)	(27,806)	
<b>Gross Profit</b>		<u>2,835</u>	<u>3,482</u>	-19%	<u>7,775</u>	<u>11,806</u>	-34%
Other operating (loss)/income		(877)	993		6,889	2,591	
Operating expenses		(3,411)	(2,959)		(12,916)	(11,770)	
<b>Operating (loss)/profit</b>	A13	<u>(1,453)</u>	<u>1,516</u>	-196%	<u>1,748</u>	<u>2,627</u>	-33%
Finance income		12	14		81	20	
Finance costs		(25)	(9)		(60)	(54)	
<b>(Loss)/Profit before taxation</b>		<u>(1,466)</u>	<u>1,521</u>	-196%	<u>1,769</u>	<u>2,593</u>	-32%
Income tax expenses	B5	432	(211)		396	(526)	
<b>(Loss)/Profit for the period</b>		<u>(1,034)</u>	<u>1,310</u>	-179%	<u>2,165</u>	<u>2,067</u>	5%
<b>Other comprehensive income/(expense), net of tax</b>							
<u>Item that will not be reclassified subsequently to profit or loss:</u>							
Change in RPGT rate		(763)	-		(763)	-	
<u>Item that may be subsequently reclassified to profit or loss:</u>							
Foreign currency translation differences for foreign operations		(3)	(2)		(4)	14	
Fair value of available-for-sale financial assets							
- Reclassification adjustment for gain on disposal included in profit or loss		-	-		-	(122)	
<b>Total comprehensive income/(expense) for the period</b>		<u>(1,800)</u>	<u>1,308</u>	-238%	<u>1,398</u>	<u>1,959</u>	-29%
<b>Profit attributable to:</b>							
Owners of the Company		(1,033)	1,312		2,167	2,085	
Non-controlling interests		<u>(1)</u>	<u>(2)</u>		<u>(2)</u>	<u>(18)</u>	
<b>Profit for the period</b>		<u>(1,034)</u>	<u>1,310</u>		<u>2,165</u>	<u>2,067</u>	
<b>Total comprehensive income/(expense) attributable to:</b>							
Owners of the Company		(1,799)	1,310		1,400	1,977	
Non-controlling interests		<u>(1)</u>	<u>(2)</u>		<u>(2)</u>	<u>(18)</u>	
<b>Total comprehensive income/(expense) the period</b>		<u>(1,800)</u>	<u>1,308</u>		<u>1,398</u>	<u>1,959</u>	
<b>Earnings per share (sen)</b>							
- Basic	B11	(0.35)	0.60		0.74	0.95	
- Diluted	B11	N/A	0.53		N/A	0.85	

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 2017 and the accompanying explanatory notes attached to the Interim Financial Statements.

**NI HSIN RESOURCES BERHAD**  
(Company No. 653353-W)  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

(The figures have not been audited)

	Note	AS AT 31.12.2018 RM'000	AS AT 31.12.2017 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A9	46,251	46,843
Investment property		1,252	1,279
Goodwill		5,105	5,105
Deferred tax asset		-	9
		<u>52,608</u>	<u>53,236</u>
<b>Current assets</b>			
Inventories		20,608	20,191
Other investment		11,967	3,570
Receivables, deposits and prepayments		4,679	3,953
Derivative financial assets	B10	-	-
Current tax assets		637	182
Cash and cash equivalents		12,887	9,439
		<u>50,778</u>	<u>37,335</u>
<b>TOTAL ASSETS</b>		<u>103,386</u>	<u>90,571</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		66,123	53,980
Reserves		26,614	26,231
Equity attributable to owners of the Company		92,737	80,211
Non-controlling interest		-	(93)
<b>Total equity</b>		<u>92,737</u>	<u>80,118</u>
<b>Non-current liabilities</b>			
Deferred tax liability		3,835	3,639
Borrowings	B6	269	-
		<u>4,104</u>	<u>3,639</u>
<b>Current liabilities</b>			
Payables and accruals		5,059	6,814
Borrowings	B6	1,486	-
Current tax liabilities		-	-
Derivative financial liabilities	B10	-	-
		<u>6,545</u>	<u>6,814</u>
<b>Total liabilities</b>		<u>10,649</u>	<u>10,453</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>103,386</u>	<u>90,571</u>
Net Assets per share attributable to owners of the Company (RM)		0.32	0.34

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the Interim Financial Statements.

**NI HSIN RESOURCES BERHAD**  
(Company No. 653353-W)  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

(The figures have not been audited)

	/----- Non-distributable -----/								Distributable Retained Profits / (Accumulated losses) RM'000	Total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Fair value Reserve RM'000	Share Option Reserve RM'000	Revaluation Reserve RM'000	Other Reserve RM'000				
<b>At 1 January 2017</b>	47,671	1,820	(6,228)	80	202	5,034	17,149	9,206	(415)	74,519	(75)	74,444
Adjustments for effects of Companies Act 2016 <b>(Note a)</b>	1,820	(1,820)	-	-	-	-	-	-	-	-	-	-
Foreign currency translation differences for foreign operations	-	-	-	14	-	-	-	-	-	14	-	14
Fair value of available-for-sale financial assets	-	-	-	-	(122)	-	-	-	-	(122)	-	(122)
Total other comprehensive income/(expense) for the period	-	-	-	14	(122)	-	-	-	-	(108)	-	(108)
Profit for the period	-	-	-	-	-	-	-	-	2,085	2,085	(18)	2,067
<b>Total comprehensive income/ (expense) for the period</b>	-	-	-	14	(122)	-	-	-	2,085	1,977	(18)	1,959
<i>Contributions by and distributions to owners of the Company</i>												
Own shares acquired	-	-	(774)	-	-	-	-	-	-	(774)	-	(774)
Warrant exercised	4,489	-	-	-	-	-	-	-	-	4,489	-	4,489
<b>Total transactions with the owners of the Company</b>	4,489	-	(774)	-	-	-	-	-	-	3,715	-	3,715
<b>At 31 December 2017</b>	<b>53,980</b>	<b>-</b>	<b>(7,002)</b>	<b>94</b>	<b>80</b>	<b>5,034</b>	<b>17,149</b>	<b>9,206</b>	<b>1,670</b>	<b>80,211</b>	<b>(93)</b>	<b>80,118</b>
<b>At 1 January 2018</b>	53,980	-	(7,002)	94	80	5,034	17,149	9,206	1,670	80,211	(93)	80,118
Foreign currency translation differences for foreign operations	-	-	-	(4)	-	-	-	-	-	(4)	-	(4)
Change in RPGT rate	-	-	-	-	-	-	(763)	-	-	(763)	-	(763)
Fair value of available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income/(expense) for the period	-	-	-	(4)	-	-	(763)	-	-	(767)	-	(767)
Profit/(Loss) for the period	-	-	-	-	-	-	-	-	2,167	2,167	(2)	2,165
<b>Total comprehensive income/ (expense) for the period</b>	-	-	-	(4)	-	-	(763)	-	2,167	1,400	(2)	1,398
<i>Contributions by and distributions to owners of the Company</i>												
Own shares acquired	-	-	(922)	-	-	-	-	-	-	(922)	-	(922)
Cancellation of ESOS	-	-	-	-	-	(5,034)	-	-	5,034	-	-	-
Warrant exercised	12,143	-	-	-	-	-	-	-	-	12,143	-	12,143
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	-	(95)	(95)	95	-
<b>Total transactions with the owners of the Company</b>	12,143	-	(922)	-	-	(5,034)	-	-	4,939	11,126	95	11,221
<b>At 31 December 2018</b>	<b>66,123</b>	<b>-</b>	<b>(7,924)</b>	<b>90</b>	<b>80</b>	<b>-</b>	<b>16,386</b>	<b>9,206</b>	<b>8,776</b>	<b>92,737</b>	<b>-</b>	<b>92,737</b>

**Note a**

With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium account of RM1,820,000 has been transferred to the share capital account. Pursuant to subsection 618(3) of the New Act, the Group may exercise its right to use the credit amounts being transferred from share premium account within 24 months after the commencement of the New Act. The Board of Directors will make a decision thereon by 31 January 2019.

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 2017 and the accompanying explanatory notes attached to the Interim Financial Statements.

**NI HSIN RESOURCES BERHAD**

(Company No. 653353-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

(The figures have not been audited)

	<b>12 MONTHS ENDED</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit/ (Loss) before tax	1,769	2,593
Adjustments:		
Depreciation on property, plant and equipment	2,354	2,528
Depreciation on investment property	27	27
Loss/(Gain) on disposal of property, plant and equipment	29	(8)
Write off of property, plant and equipment	40	61
Write-down of inventories	-	-
Interest paid	60	54
Interest received	(81)	(20)
Net loss on foreign exchange	(13)	44
(Gain)/ loss on disposal of quoted or unquoted investments	(1,185)	(263)
(Gain)/ loss on disposal of available-for-sale financial assets	-	(86)
Share-based payment transaction	-	-
Net loss/ (gain) in fair value of financial instruments measured at fair value	(4,854)	(1,560)
Operating profit before changes in working capital	<u>(1,854)</u>	<u>3,370</u>
Changes in working capital:		
Decrease/(Increase) in operating assets	(1,157)	(69)
(Increase)/Decrease in operating liabilities	(1,751)	522
Cash generated from operations	<u>(4,762)</u>	<u>3,823</u>
Income taxes paid	(617)	(577)
Income taxes refunded	-	528
Interest paid	(60)	(54)
Interest received	81	20
<b>Net cash generated from/(used in) operating activities</b>	<u><u>(5,358)</u></u>	<u><u>3,740</u></u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,060)	(440)
Acquisition of other investments	(12,343)	(11,145)
Proceeds from disposal of property, plant and equipment	229	283
Acquisition of non-controlling interests	-	-
Proceeds from disposal of other investments	9,986	9,398
Proceeds from disposal of available-for-sale financial assets	-	156
<b>Net cash generated from/(used in) investing activities</b>	<u><u>(4,188)</u></u>	<u><u>(1,748)</u></u>
<b>Cash flows from financing activities</b>		
Net proceeds of bankers' acceptances	1,265	-
Net proceeds of finance lease liabilities	620	-
Payments of finance lease liabilities	(130)	(87)
Repurchase of treasury shares	(922)	(774)
Proceeds from exercise of warrants	12,143	4,489
Dividends paid	-	-
<b>Net cash generated from/(used in) financing activities</b>	<u><u>12,976</u></u>	<u><u>3,628</u></u>
<b>Net increase in cash and cash equivalents</b>	3,430	5,620
Effect of exchange rate fluctuations on cash held	18	(127)
Cash and cash equivalents at 1 January	9,439	3,946
<b>Cash and cash equivalents at 31 December</b>	<u><u>12,887</u></u>	<u><u>9,439</u></u>

## Notes:

Cash and cash equivalent at the end of the financial period comprise the following :

	<b>RM'000</b>	<b>RM'000</b>
Deposits with licensed bank	9,200	2,694
Bank and Cash balances	3,687	6,745
Bank overdraft (included within short term borrowings in Note B6)	-	-
	<u><u>12,887</u></u>	<u><u>9,439</u></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 2017 and the accompanying explanatory notes attached to the Interim Financial Statements.

## NI HSIN RESOURCES BERHAD

(Company No. 653353-W)

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### 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 2017. 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 2017.

##### 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 2017, except for the following:

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

###### Effective for financial periods beginning on or after 1 January 2018

MFRS 15 Revenue from Contracts with Customers

MFRS 9 Financial Instruments (2014)

Transfers of Investment Property (Amendments to MFRS 140)

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts (Amendments to MFRS 4)

###### (b) Standards issued but not yet effective

###### Effective for financial periods commencing on or after 1 January 2019

Amendments to MFRS 9 Financial Instruments - *Prepayment Features with Negative Compensation*

Amendments to MFRS 119 Employee Benefits - *Plan Amendment, Curtailment or Settlement*

Amendments to MFRS 128 Investments in Associates and Joint Ventures - *Long-term Interests in Associates and Joint Ventures*

Amendments to MFRS 3 Business Combinations (*Annual Improvements to MFRS Standards 2015-2017 Cycle*)

Amendments to MFRS 112 Income Taxes (*Annual Improvements to MFRS Standards 2015 - 2017 Cycle*)

Amendments to MFRS 123 Borrowing Costs (*Annual Improvements to MFRS Standards 2015 - 2017 Cycle*)

IC Interpretation 23 Uncertainty over Income Tax Treatments

###### Effective for financial periods commencing on or after 1 January 2020

Amendments to MFRS 2 Share-based Payment

Amendment to MFRS 3 Business Combinations

Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources

Amendment to MFRS 14 Regulatory Deferral Accounts

Amendments to MFRS 101 Presentation of Financial Statements

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

Amendments to MFRS 134 Interim Financial Reporting

Amendment to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

## **A2 SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

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

#### Effective for financial periods commencing on or after 1 January 2020 (Cont.)

Amendment to MFRS 138 Intangible Assets

Amendments to IC Interpretation 12 Service Concession Arrangements

Amendments to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

Amendments to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Amendments to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Amendments to IC Interpretation 132 Intangible Assets - Web Site Costs

#### Effective for financial periods commencing on or after 1 January 2021

MFRS 17 Insurance Contracts

#### Effective date of these Standards have been deferred, and yet to be announced

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

## **A3 AUDITORS' REPORT ON PRECEDING FINANCIAL STATEMENTS**

There was no qualification on the audited financial statements for the Company or its subsidiaries for the financial year ended 31 December 2017.

## **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 years that have a material effect in the current quarter and financial year ended 31 December 2018.

## **A6 UNUSUAL ITEMS DUE TO THE NATURE, SIZE OR INCIDENCE**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows during the current quarter and financial year ended 31 December 2018.

## **A7 MATERIAL CHANGES IN ESTIMATES**

There were no material changes in estimates that have a material effect on the results for the current quarter and financial year ended 31 December 2018.

## **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 cancellation, warrant exercise for the current quarter and financial year ended 31 December 2018.

### **(a) Share Buy-backs**

At the Annual General Meeting of the Company held on 28 June 2018, 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.

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

### (a) Share Buy-backs (Cont.)

As at 31 December 2018, the total number of shares bought back and held as treasury shares were 28,271,300 ordinary shares, representing 8.8% 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 or resold during current quarter and financial year ended 31 December 2018.

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

Month	No. of shares purchased	Minimum price (RM)	Maximum price (RM)	Average price (RM)	Total amount paid <sup>#</sup> (RM)
January	800,000	0.224	0.227	0.226	181,187.96
February	478,200	0.190	0.190	0.190	91,555.76
March	1,291,100	0.173	0.175	0.174	224,634.04
April	459,400	0.150	0.155	0.154	70,963.56
October	228,100	0.230	0.250	0.234	53,413.06
November	765,000	0.265	0.295	0.284	217,048.50
December	300,000	0.275	0.275	0.277	83,102.75

<sup>#</sup> Inclusive of Goods and Services Tax (GST), commission, stamp duty and other charges.

### (b) Warrants

On 22 January 2015, the Company undertook a bonus issue of up to 115,478,803 free warrants on the basis of one warrant for every two existing ordinary shares in the Company. The warrants have expired on 9 February 2018.

During the financial period and up to date of expiry, the warrants exercised by registered warrant holders to new ordinary shares of RM0.20 each at a price of RM0.20 per ordinary share are as follows:

Month of exercise	Exercise price (RM)	No. of warrants exercised	Balance warrants outstanding
<b>Balance b/f</b>			<b>91,277,903</b>
January	0.20	55,326,000	35,951,903
February	0.20	5,388,000	30,563,903

## A9 PROPERTY, PLANT AND EQUIPMENT

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

## A10 CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations during the current quarter and financial year ended 31 December 2018.

## A11 DIVIDEND PAID

No dividend was paid during the current quarter and financial year ended 31 December 2018.

## A12 SEGMENTAL INFORMATION

The Group is principally engaged in the design, manufacture and sale of stainless steel kitchenware, cookware, convex mirror and research and development and manufacture of clad metals. The segmental results of the Group for the financial year under review are as follows:

### RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

<b>Segment Revenue</b>	<b>Current Quarter 3 months ended</b>		<b>Cumulative Quarter 12 months ended</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
	RM'000	RM'000	RM'000	RM'000
Revenue from:				
Cookware	6,722	5,192	18,201	19,378
Convex mirror	2,674	3,596	11,341	13,705
Clad metals	2,049	3,628	10,707	14,979
Others	148	-	148	-
Total revenue including inter-segment sales	11,593	12,416	40,397	48,062
Elimination of inter-segment sales	(1,797)	(2,264)	(7,202)	(8,450)
<b>Total</b>	<b>9,796</b>	<b>10,152</b>	<b>33,195</b>	<b>39,612</b>
Results from:				
Cookware	122	147	(2,700)	(151)
Convex mirror	429	1,104	1,546	2,266
Clad metals	(324)	(222)	(1,751)	(489)
Others	145	(5)	127	(16)
	372	1,024	(2,778)	1,610
Elimination of inter-segment results	2,989	213	3,097	68
<b>Total result</b>	<b>3,361</b>	<b>1,237</b>	<b>319</b>	<b>1,678</b>
Unallocated corporate income/(expenses)	(4,814)	279	1,429	949
Finance income	12	14	81	20
Finance costs	(25)	(9)	(60)	(54)
Income tax expense	432	(211)	396	(526)
<b>Profit for the period</b>	<b>(1,034)</b>	<b>1,310</b>	<b>2,165</b>	<b>2,067</b>

### **Segment Assets**

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

	<b>As at 31.12.2018</b>	<b>As at 31.12.2017</b>
	RM'000	RM'000
Cookware	67,859	60,600
Convex mirror	6,258	7,022
Clad metals	17,738	15,018
Others	-	-
	91,855	82,640
Elimination of inter-segment assets	(1,994)	(1,699)
<b>Total segment assets</b>	<b>89,861</b>	<b>80,941</b>
Unallocated corporate assets	13,525	9,630
<b>Total assets</b>	<b>103,386</b>	<b>90,571</b>

### **Segment Liabilities**

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

	<b>As at 31.12.2018</b>	<b>As at 31.12.2017</b>
	RM'000	RM'000
Cookware	4,645	4,724
Convex mirror	1,158	1,660
Clad metals	2,978	1,944
Others	73	53
	8,854	8,381
Elimination of inter-segment liabilities	(2,040)	(1,567)
<b>Total segment liabilities</b>	<b>6,814</b>	<b>6,814</b>
Unallocated corporate liabilities	3,835	3,639
<b>Total liabilities</b>	<b>10,649</b>	<b>10,453</b>

**A13 OPERATING PROFIT/(LOSS)**

	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
	RM'000	RM'000	RM'000	RM'000
Operating profit/(loss) is arrived at after charging and (crediting):				
Finance income	(12)	(14)	(81)	(20)
Other income including investment income	-	-	-	-
Rental income	(57)	(57)	(228)	(228)
Depreciation on property, plant and equipment	575	591	2,354	2,528
Depreciation on investment property	7	7	27	27
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Provision for and write off of property, plant and equipment	39	61	40	61
(Gain)/ loss on disposal of quoted or unquoted investments	(1,200)	(71)	(1,185)	(263)
(Gain)/ loss on disposal of property, plant and equipment	45	-	29	(8)
(Gain)/ loss on disposal of available-for-sale financial assets	-	-	-	(86)
Impairment of assets	-	-	-	-
Net (gain)/ loss on foreign exchange - unrealised	43	(8)	(13)	44
Net (gain)/ loss on foreign exchange - realised	(194)	(55)	(493)	(391)
Net (gain)/loss in fair value of financial instruments measured at fair value	2,287	(638)	(4,854)	(1,560)
Share-based payments	-	-	-	-
Net (gain)/ loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-

**A14 FINANCE COSTS**

	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
	RM'000	RM'000	RM'000	RM'000
Bank overdrafts	4	3	9	14
Bankers' acceptances	15	6	34	38
Finance lease liability	6	-	17	2
	<u>25</u>	<u>9</u>	<u>60</u>	<u>54</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 year under review.

**A16 CONTINGENT ASSETS AND LIABILITIES**

Save as disclosed below, the Company is not aware of any other contingent liabilities as at 31 December 2018:

	<b>31.12.2018</b>
	RM'000
- Corporate guarantee given by the Company to licensed banks for credit facilities granted to subsidiaries	26,140
	<u>26,140</u>

**A17 CAPITAL COMMITMENT**

Capital commitments not provided for in the financial statements as at 31 December 2018 are as follows:

	<b>31.12.2018</b>
	RM'000
Approved and contracted for	
- Plant & Equipment	<u><u>16</u></u>

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

B1 OPERATING SEGMENTS REVIEW

Quarter Ended 31 December 2018 ("Q4 2018") vs Quarter Ended 31 December 2017 ("Q4 2017")

The Group's revenue and Loss Before Taxation ("LBT") were approximately RM9.79 million and RM1.47 million respectively for Q4 2018. Revenue in Q4 2018 slightly decreased by RM0.36 million or 3.5% compared with the revenue in Q4 2017, due to lower sales of convex mirrors and clad metals. The Group's gross profit ("GP") margin for Q4 2018 decreased to 28.9%, compared with GP margin of 34.3% achieved in Q4 2017. The Group incurred other operating loss amounting to RM0.88 million in Q4 2018 as a result of lower fair value of investment in quoted shares. Operating expenses in Q4 2018 slightly increased to RM3.41 million compared with Q4 2017 of RM2.96 million. The Group recorded a LBT of RM1.47 million in Q4 2018 compared with a Profit Before Taxation ("PBT") of RM1.52 million in Q4 2017. Consequently, the Group recorded a Loss After Taxation ("LAT") of RM1.03 million for Q4 2018 compared with a Profit After Taxation ("PAT") RM1.31 million for Q4 2017.

12 Months Year Ended 31 December 2018 ("12M2018") vs 12 Months Year Ended 31 December 2017 ("12M2017")

The Group's performance by each Division for the financial period is as follows:

(i) Cookware Division

The Cookware Division's revenue for 12M2018 decreased by RM1.92 million or 9.9% to RM17.45 million compared with the revenue achieved in 12M2017 of RM19.37 million, as sales to the Asia Pacific countries (excluding Japan) during the 12M2018 has decreased by RM2.89 million. However, the sales to Japan, USA and Canada have increased by RM0.87 million and RM0.09 million respectively. The cookware revenue by geographical market for 12M2018 is as follows:

	12 MONTHS ENDED		Increase/ (Decrease)	%
	31.12.2018	31.12.2017		
	RM'000	RM'000	RM'000	
Japan	7,206	6,334	872	13.8%
Asia Pacific (excluding Japan)	7,910	10,799	(2,889)	-26.8%
USA & Canada	1,806	1,713	93	5.4%
Europe	529	527	2	0.4%
	<u>17,451</u>	<u>19,373</u>	<u>(1,922)</u>	-9.9%

(ii) Convex Mirror Division

The Convex Mirror Division achieved a revenue of RM10.14 million for 12M2018, a decrease of RM1.96 million compared with the revenue of RM12.10 million achieved in 12M2017. The decrease in revenue is attributable to lower export sales to Japan and Europe.

(iii) Clad Metal Division

Clad Metal Division's revenue decreased in 12M2018 by RM2.69 million to RM5.45 million compared with the revenue achieved in 12M2017 of RM8.14 million. Sales of clad metal decreased in 12M2018 mainly due to decreased orders from customers in Thailand and Europe markets.

## B1 OPERATING SEGMENTS REVIEW (CONT.)

### 12 Months Year Ended 31 December 2018 ("12M2018") vs 12 Months Year Ended 31 December 2017 ("12M2017") (Cont.)

The Group's net assets per share as at 31 December 2018 stood at RM0.32. The Group's non-current assets decreased to RM52.61 million compared with the non-current assets of RM53.24 million as at 31 December 2017 due to depreciation charges. Inventories increased to RM20.61 million as at 31 December 2018. Receivables, deposits and prepayments increased by RM0.73 million to RM4.68 million mainly due to collection of outstanding debts from customers. The Group's net current assets was RM44.23 million as at 31 December 2018. The Group is in a positive net cash position as at 31 December 2018 with cash and cash equivalent of RM11.13 million after deducting all borrowings of the Group.

The Group's net operating cash outflow for 12M2018 was RM5.36 million. The net cash outflow from investing activities was RM4.19 million, mainly due to acquisition of quoted shares and purchase of plant and equipment after deducting proceeds from disposal of quoted share. Net cash inflow from financing activities was RM12.98 million, mainly attributable to proceeds from exercise of warrants. The net resultant impact to the Group's cash flow was an increase in cash of RM3.43 million during 12M2018. Net cash and cash equivalents amounted to RM12.89 million as at 31 December 2018.

## B2 COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	3 months ended 31.12.2018	3 months ended 30.09.2018	Changes %
Revenue	9,796	8,538	15%
Gross profit ("GP")	2,835	1,332	113%
Operating (loss)/profit	(1,453)	6,125	-124%
(Loss)/Profit before taxation ("LBT)/PBT")	(1,466)	6,102	-124%
(Loss)/Profit for the period	(1,034)	6,165	-117%
(Loss)/Profit attributable to the owners of the Company	(1,033)	6,165	-117%

The Group experienced higher revenue in Q4 2018 compared with Q3 2018. Consequently, the Group recorded higher GP in Q4 2018. However, the Group recorded a LBT and loss for the period in Q4 2018 due to lower of net gain in fair value of investment in quoted shares measured at fair value by the Company during Q4 2018 as compared to Q3 2018.

## B3 COMMENTARY ON PROSPECT

Despite the challenging economic and business environment, the Directors are confident of the quality and innovative capabilities of the Group to meet the product and service requirements of the customers. Intensive efforts are being made to further develop and expand existing markets as well as to penetrate into new markets worldwide and the Directors expect the business prospects for 2019 and beyond to be positive.

## B4 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.

**B5 TAXATION**

	<b>Current Quarter 3 months ended 31.12.2018 RM'000</b>	<b>Cumulative Quarter 12 months ended 31.12.2018 RM'000</b>
In respect of the current period		
- Malaysian tax	151	151
- Deferred tax	(593)	(567)
	<u>(442)</u>	<u>(416)</u>
In respect of the prior year		
- Malaysian tax	-	10
- Deferred tax	10	10
	<u>10</u>	<u>20</u>
	<u>(432)</u>	<u>(396)</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.

**B6 GROUP BORROWINGS AND DEBT SECURITIES**

Save as disclosed below, there were no other borrowings or debt securities in the Group as at 31 December 2018:

	<b>As at 31.12.2018 RM'000</b>	<b>As at 31.12.2017 RM'000</b>
<b>Non-current:</b>		
Finance lease liability	<u>269</u>	-
<b>Current:</b>		
Bank overdraft - unsecured	-	-
Bankers' acceptance - unsecured	1,265	-
Finance lease liability	221	-
	<u>1,486</u>	-
	<u>1,755</u>	-

All borrowings are denominated in Malaysia Ringgit.

**B7 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES**

As at 31 December 2018, the Group does not have any financial liabilities measured at fair value through profit or loss.

**B8 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.

## B9 STATUS OF CORPORATE PROPOSALS

There were no corporate proposals by the Company during the financial year to date except for the proposed bonus issue of up to 160,757,455 free detachable warrants in the Company ("Warrant(s)") on the basis of one (1) warrant for every two (2) existing ordinary shares in the Company held by the entitled shareholders on an entitlement date to be determined and announce later ("Proposed Bonus Issue of Warrants").

All requisite approvals had been obtained from Bursa Malaysia Securities Berhad and an Extraordinary General Meeting was held on 15 February 2019 to approve the resolution pertaining to the Proposed Bonus Issue of Warrants.

## B10 FINANCIAL INSTRUMENTS

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

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

### **Outstanding derivatives**

The Group had not entered into any new type of derivatives in the current interim quarter that was not disclosed in the preceding year's annual financial statements. As at 31 December 2018, the Group does not have any outstanding derivative financial instruments.

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

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

## B11 EARNINGS PER SHARE ("EPS")

### (a) Basic

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

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
<b>Basic EPS</b>				
Profit attributable to owners of the Company (RM '000)	(1,033)	1,312	2,167	2,085
Weighted average no. of ordinary shares in issue ('000)	291,148	220,243	291,148	220,243
Basic EPS (sen)	(0.35)	0.60	0.74	0.95

## B11 EARNINGS PER SHARE ("EPS") (CONT.)

### (b) Diluted

There were no diluted EPS as at 31 December 2018 as the warrants have expired on 9 February 2018 and the ESOS granted to the Directors and eligible employees of the Group were terminated after the approval by the shareholders in the Extraordinary General Meeting held on 25 January 2018.

As at 31 December 2017, diluted EPS was calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average diluted number of ordinary shares outstanding during the year after accounting for the share buy-backs, reissue of treasury shares and adjustments for the effect of all dilutive potential ordinary shares arising from the share warrants on issue.

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
<b>Diluted EPS</b>				
Profit/(Loss) attributable to owners of the Company (RM '000)	-	1,312	-	2,085
Weighted average no. of ordinary shares in issue ('000)	-	220,243	-	220,243
Effect of dilution ('000)	-	26,163	-	26,163
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	-	246,406	-	246,406
Diluted EPS (sen)	N/A	0.53	N/A	0.85

The effect of ESOS granted to the Directors and eligible employees of the Group that could potentially dilute basic earnings per share in future, but were not included in the calculation of diluted earnings per share as above because they are anti-dilutive for the financial year ended 31 December 2017.

## B12 DIVIDEND

No interim dividend has been recommended for the current quarter.

On 12 February 2019, the Directors announced an interim single tier dividend in respect of the financial year ending 31 December 2019 via a share dividend distribution on the basis of 1 treasury share for every 12 ordinary shares held. The entitlement date for the share dividend was 26 February 2019.

## B13 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 27 February 2019.

On behalf of the Board of Directors  
**NI HSIN RESOURCES BERHAD**

SOFIYAN BIN YAHYA  
Chairman

Date: 27 February 2019