

**KIM HIN INDUSTRY BERHAD**  
REGISTRATION No.:197301003569 (18203-V)

**Interim Financial Report**  
31 March 2024

**Interim Financial Report for the three-month period ended 31 March 2024**

<b>Index</b>	<b>Page</b>
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	1 - 2
Condensed Consolidated Statement of Financial Position	3 - 4
Condensed Consolidated Statement of Changes in Equity	5
Condensed Consolidated Statement of Cash Flows	6 - 7
Part A – Explanatory Notes Pursuant to MFRS 134	8 - 19
Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad	20 - 22

**KIM HIN INDUSTRY BHD**

Registration No.: 197301003569 (18203-V)

**Interim report for the three-month period ended 31 March 2024****Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	Note	Individual Quarter 3 months ended		Cumulative Quarters 3 months ended	
		31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
<b>Revenue</b>	11	79,391	72,817	79,391	72,817
Cost of sales		(56,417)	(60,509)	(56,417)	(60,509)
<b>Gross profit</b>		22,974	12,308	22,974	12,308
Other income		3,064	2,109	3,064	2,109
Selling and distribution costs		(9,534)	(7,912)	(9,534)	(7,912)
Administrative expenses		(17,669)	(17,293)	(17,669)	(17,293)
Other expenses		(1,420)	(1,949)	(1,420)	(1,949)
<b>Operating loss</b>		(2,585)	(12,737)	(2,585)	(12,737)
Finance costs		(544)	(669)	(544)	(669)
<b>Loss before tax</b>	12	(3,129)	(13,406)	(3,129)	(13,406)
Income tax expense	13	(94)	(212)	(94)	(212)
<b>Loss for the period</b>		(3,223)	(13,618)	(3,223)	(13,618)
<b>Other comprehensive income:</b>					
Other comprehensive income that will be reclassified to profits or loss in subsequent periods:					
Exchange translation differences on foreign subsidiaries		568	513	568	513
<b>Other comprehensive income for the period, net of tax</b>		568	513	568	513
<b>Total comprehensive loss for the period</b>		(2,655)	(13,105)	(2,655)	(13,105)

**KIM HIN INDUSTRY BHD**

Registration No.: 197301003569 (18203-V)

**Interim report for the three-month period ended 31 March 2024****Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (contd.)**

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
<b>Loss attributable to:</b>					
Owners of the Company		(3,182)	(13,236)	(3,182)	(13,236)
Non-controlling interests		(41)	(382)	(41)	(382)
		<u>(3,223)</u>	<u>(13,618)</u>	<u>(3,223)</u>	<u>(13,618)</u>
		=====	=====	=====	=====
<b>Total comprehensive loss attributable to:</b>					
Owners of the Company		(3,211)	(12,825)	(3,211)	(12,825)
Non-controlling interests		556	(280)	556	(280)
		<u>(2,655)</u>	<u>(13,105)</u>	<u>(2,655)</u>	<u>(13,105)</u>
		=====	=====	=====	=====
<b>Loss per share attributable to owners of the Company:</b>					
- Loss per share for the period (basic/diluted) (sen)	14	(2.27)	(9.44)	(2.27)	(9.44)
		=====	=====	=====	=====

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

**KIM HIN INDUSTRY BHD**

Registration No.: 197301003569 (18203-V)

**Interim report for the three-month period ended 31 March 2024****Condensed Consolidated Statement of Financial Position**

		<b>31.03.2024</b>	<b>31.12.2023</b>
		Unaudited	Audited
	<b>Note</b>	RM'000	RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	103,145	104,615
Right-of-use assets		58,092	61,366
Investment properties	16	31,259	31,590
Other investments		23,180	17,641
Intangible assets	17	8,070	8,179
Deferred tax assets		5,677	5,758
		<hr/>	<hr/>
		229,423	229,149
		<hr/>	<hr/>
<b>Current assets</b>			
Inventories	18	96,831	103,074
Trade and other receivables		59,353	52,091
Other current assets		2,290	2,391
Tax recoverable		184	185
Derivative assets		6	128
Cash and bank balances	19	37,486	47,339
		<hr/>	<hr/>
		196,150	205,208
Assets held for sale		-	758
		<hr/>	<hr/>
		196,150	205,966
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b>425,573</b>	<b>435,115</b>
		=====	=====

**KIM HIN INDUSTRY BHD**

Registration No.: 197301003569 (18203-V)

**Interim report for the three-month period ended 31 March 2024****Condensed Consolidated Statement of Financial Position (contd.)**

		<b>31.03.2024</b>	<b>31.12.2023</b>
	<b>Note</b>	Unaudited RM'000	Audited RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Loans and borrowings	20	12,201	12,984
Derivative liabilities	21	19	-
Trade and other payables		66,870	68,423
Provisions		4,749	4,891
Lease liabilities		10,189	10,383
Tax payable		647	673
		<hr/>	<hr/>
		94,675	97,354
		<hr/>	<hr/>
<b>Non-current liabilities</b>			
Loans and borrowings	20	4,563	5,218
Deferred tax liabilities		1,881	1,914
Trade and other payables		736	730
Provisions		270	276
Lease liabilities		18,606	22,126
		<hr/>	<hr/>
		26,056	30,264
		<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>		120,731	127,618
		<hr/>	<hr/>
<b>Equity</b>			
Share capital	22	206,658	206,658
Treasury shares	22	(24,309)	(24,309)
Other reserves		18,304	18,333
Retained earnings		93,497	96,679
		<hr/>	<hr/>
		294,150	297,361
<b>Non-controlling interests</b>		10,692	10,136
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		304,842	307,497
		<hr/>	<hr/>
<b>TOTAL EQUITY AND LIABILITIES</b>		425,573	435,115
		<hr/>	<hr/>
Net assets per share attributable to ordinary equity holders of the Company (RM)		2.10	2.12
		<hr/>	<hr/>

The condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

**KIM HIN INDUSTRY BHD**

Registration No.: 197301003569 (18203-V)

**Interim report for the three-month period ended 31 March 2024****Condensed Consolidated Statement of Changes in Equity**

	← Attributable to equity holders of the Company →						Non- controlling interests ("NCI")	Total equity
	← Non-Distributable			→ Distributable				
	Share capital RM'000	Treasury shares RM'000	Reserve and enterprise expansion funds RM'000	Translation adjustment account RM'000	Retained earnings RM'000	Total RM'000	RM'000	RM'000
<b>At 1 January 2024</b>	206,658	(24,309)	7,015	11,318	96,679	297,361	10,136	307,497
Loss net of tax	-	-	-	-	(3,182)	(3,182)	(41)	(3,223)
Other comparative (loss)/income	-	-	-	(29)	-	(29)	597	568
Total comprehensive (loss)/income	-	-	-	(29)	(3,182)	(3,211)	556	(2,655)
<b>At 31 March 2024</b>	<u>206,658</u>	<u>(24,309)</u>	<u>7,015</u>	<u>11,289</u>	<u>93,497</u>	<u>294,150</u>	<u>10,692</u>	<u>304,842</u>
<b>At 1 January 2023</b>	206,658	(24,309)	7,015	10,654	133,903	333,921	12,933	346,854
Loss net of tax	-	-	-	-	(13,236)	(13,236)	(382)	(13,618)
Other comparative income	-	-	-	411	-	411	102	513
Total comprehensive (loss)/income	-	-	-	411	(13,236)	(12,825)	(280)	(13,105)
<b>At 31 March 2023</b>	<u>206,658</u>	<u>(24,309)</u>	<u>7,015</u>	<u>11,065</u>	<u>120,667</u>	<u>321,096</u>	<u>12,653</u>	<u>333,749</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

**KIM HIN INDUSTRY BHD**

Registration No.: 197301003569 (18203-V)

**Interim report for the three-month period ended 31 March 2024****Condensed Consolidated Statement of Cash Flows**

	<b>3 months ended</b>	
	<b>31.03.2024</b>	<b>31.03.2023</b>
	RM'000	RM'000
<b>Operating activities</b>	<b>Note</b>	
Loss before tax		(13,406)
	(3,129)	(3,129)
Adjustments for:		
Amortisation of intangibles	109	-
Depreciation of investment properties	229	87
Depreciation of property, plant and equipment	2,230	3,050
Depreciation on right-of-use assets	2,441	2,892
Dividend income	(43)	(1)
Expected credit losses on receivables, net	(145)	(46)
Gains on disposal of other investments	(9)	(265)
Gains on fair value changes, net	(440)	(17)
Gains on lease modification	(1)	(2)
Interest expense	544	669
Interest income	(115)	(57)
Inventories written off	6	6
Loss/(gains) on disposal of property, plant and equipment, net	25	(50)
Unrealised loss on foreign exchange, net	815	164
Write-down of inventories (reversed)/provided, net	(9)	673
Operating cash flows before changes in working capital	2,508	(6,303)
Changes in working capital:		
Decrease in inventories	5,925	12,529
(Increase)/decrease in receivables	(7,339)	3,193
Decrease in payables	(1,181)	(4,381)
Cash (used in) / generated from operations	(87)	5,038
Interest paid	(544)	(669)
Taxes paid, net of refund	(147)	4
Net cash flows (used in) /generated from operating activities carried forward	(778)	4,373

**KIM HIN INDUSTRY BHD**

Registration No.: 197301003569 (18203-V)

**Interim report for the three-month period ended 31 March 2024****Condensed Consolidated Statement of Cash Flows (contd.)**

	Note	3 months ended	
		31.03.2024	31.03.2023
		RM'000	RM'000
Net cash flows (used in) / generated from operating activities brought forward		(778)	4,373
<b>Investing activities</b>			
Acquisition of other investments		(6,021)	-
Acquisition of property, plant and equipment		(1,029)	(2,561)
Interest received		115	57
Proceeds from disposal of other investments		1,000	6,900
Proceeds from disposal of property, plant and equipment		12	56
Changes in short-term deposits with maturity more than 3 months		6,106	879
Net cash flows generated from investing activities		183	5,331
<b>Financing activities</b>			
Repayment of trade facilities and hire purchase, net		(1,525)	(228)
Payment of principal portion of lease liabilities		(1,109)	(2,726)
Repayment of term loans		(729)	(1,134)
Net cash flows used in financing activities		(3,363)	(4,088)
<b>Net (decrease) / increase in cash and cash equivalents</b>		(3,958)	5,616
<b>Net foreign exchange difference</b>		(50)	17
<b>Cash and cash equivalents at 1 January</b>		37,040	27,553
<b>Cash and cash equivalents at 31 March</b>	20	33,032	33,186

The condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

**PART A – Explanatory Notes Pursuant to MFRS 134****1. Basis of preparation**

The condensed consolidated interim financial statements, for the three-month period ended 31 March 2024 are unaudited and have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements also comply with IAS 134 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2023. The explanatory notes attached to the condensed consolidated 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 financial year ended 31 December 2023.

**2. Changes in accounting policies**

The significant accounting policies adopted by the Group in the condensed consolidated interim financial statements are consistent with those of the Group’s audited financial statements for the financial year ended 31 December 2023, except for the adoption of the following standards and amended MFRSs (collectively referred to as “pronouncements”) with effect from 1 January 2024:

	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024

The pronouncements did not have any material effect on the financial performance or position of the Group.

**PART A – Explanatory Notes Pursuant to MFRS 134**

**3. Seasonal or cyclical factors**

The business operations of the Group have been significantly affected by seasonal or cyclical factors relating to the festive season, which normally affects the construction industry in the first quarter of the year.

**4. Unusual items due to their nature, size and incidence**

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows of the Group for the financial quarter ended 31 March 2024.

**5. Changes in estimates**

There were no changes in estimates of amounts that have had a material effect on the results of the current financial quarter.

**6. Debt and equity securities**

There were no issuances and repayments of debt and equity securities, share buy backs, shares cancellation, shares held as treasury shares and resale of treasury shares during the current financial quarter.

**7. Dividends paid**

There was no dividend paid during the financial quarter ended 31 March 2024.

**8. Material subsequent events**

There were no material event subsequent to the end of the financial quarter reported that have not been reflected in these interim financial statements.

**9. Changes in composition of the Group**

There were no changes in the composition of the Group during the current financial quarter.

**10. Changes in contingent liabilities and contingent assets**

There were no material contingent liabilities or contingent assets other than those as disclosed in the audited financial statements for the financial year ended 31 December 2023.

**KIM HIN INDUSTRY BHD**

Registration No.: 197301003569 (18203-V)

**PART A – Explanatory Notes Pursuant to MFRS 134****11. Revenue**

	<b>3 months ended</b>	
	<b>31.03.2024</b>	<b>31.03.2023</b>
	RM'000	RM'000
Sales of goods	79,348	72,816
Dividend income	43	1
	<u>79,391</u>	<u>72,817</u>
	=====	=====

**12. Loss before tax**

	<b>3 months ended</b>	
	<b>31.03.2024</b>	<b>31.03.2023</b>
	RM'000	RM'000
Loss before tax for the three-month period is arrived at after charging/(crediting):		
Amoritsation of intangibles	109	-
Depreciation of investment properties	229	87
Depreciation of property, plant and equipment	2,234	3,050
Depreciation on right-of-use assets	2,441	2,892
Dividend income	(43)	(1)
Expected credit losses on receivables, net	(145)	(46)
Gains on disposal of other investments	(9)	(265)
Gains on fair value changes, net	(440)	(17)
Gains on lease modification	(1)	(2)
Interest expense	544	669
Interest income	(115)	(57)
Inventories written off	6	6
Loss/(gains) on disposal of property, plant and equipment, net	25	(50)
Unrealised loss on foreign exchange, net	816	164
Write-down of inventories (reversed)/provided, net	(9)	673
	<u>=====</u>	<u>=====</u>

**KIM HIN INDUSTRY BHD**

Registration No.: 197301003569 (18203-V)

**PART A – Explanatory Notes Pursuant to MFRS 134****13. Income tax expense**

	<b>3 months ended</b>	
	<b>31.03.2024</b>	<b>31.03.2023</b>
	RM'000	RM'000
Current income tax:		
Malaysian income tax	120	96
Foreign tax	7	-
Under provision in prior year – foreign tax	-	116
	<u>127</u>	<u>212</u>
Income tax expense for the period	127	212
Deferred income tax	(33)	-
	<u>94</u>	<u>212</u>
Income tax expenses recognised in profit or loss	====	====

The Group's higher effective tax rate was principally due to non-applicability of group tax loss relief and the effect of non-deductible expenses for tax purposes.

**14. Loss per share****Basic/Diluted**

Basic loss per share is calculated by dividing loss for the financial period, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period, excluding treasury shares held by the Company.

There is no dilutive effect of all potential ordinary shares.

The following table reflects the loss and share data used in the computation of basic loss per share:

	<b>3 months ended</b>	
	<b>31.03.2024</b>	<b>31.03.2023</b>
	RM'000	RM'000
Loss, net of tax attributable to owners of the Company (RM'000)	(3,182)	(13,236)
	<u>155,616</u>	<u>155,616</u>
Number of ordinary shares in issue ('000)	155,616	155,616
Number of treasury shares ('000)	(15,377)	(15,377)
	<u>140,239</u>	<u>140,239</u>
Weighted average number of ordinary shares for basic earnings per share computation ('000)	140,239	140,239
	<u>(2.27)</u>	<u>(9.44)</u>
Basic loss per share (sen)	=====	=====

**KIM HIN INDUSTRY BHD**

Registration No.: 197301003569 (18203-V)

**PART A – Explanatory Notes Pursuant to MFRS 134****15. Property, plant and equipment**

During the current financial quarter, the Group acquired property, plant and equipment at a cost of RM1,029,000 (31 March 2023: RM2,561,000)

The Group disposed of property, plant and equipment with carrying amount of RM37,000 (31 March 2023: RM6,000) during the current financial year and resulting in loss on disposal of RM25,000 (31 March 2023: gains of RM50,000) recognised and included in other income in the consolidated statement of profit or loss and other comprehensive income.

**16. Investment properties**

	<b>31.03.2024</b>	<b>31.12.2023</b>
	RM'000	RM'000
<b>Cost</b>		
At 1 January	38,073	39,451
Disposal	-	(495)
Translation differences	(138)	(883)
	<hr/>	<hr/>
At 31 March/31 December	37,935	38,073
	<hr/>	<hr/>
<b>Accumulated depreciation and impairment</b>		
At 1 January	6,483	5,619
Charge for the period	229	665
Impairment during the period	-	159
Disposal	-	(57)
Translation difference	(36)	97
	<hr/>	<hr/>
At 31 March/31 December	6,676	6,483
	<hr/>	<hr/>
<b>Net carrying amount</b>		
At 31 March/31 December	31,259	31,590
	=====	=====

**KIM HIN INDUSTRY BHD**

Registration No.: 197301003569 (18203-V)

**PART A – Explanatory Notes Pursuant to MFRS 134****17. Intangible assets**

	<b>31.03.2024</b>	<b>31.12.2023</b>
	RM'000	RM'000
<b>Cost</b>		
Goodwill	11,637	11,637
Arrangements with franchisee	10,892	10,892
Brands	4,857	4,857
	<u>27,386</u>	<u>27,386</u>
At 1 January/31 March/31 December		
<b>Accumulated amortisation and impairment</b>		
At 1 January	19,207	13,182
Amortisation charge for the period	109	436
Impairment during the period	-	5,589
	<u>19,316</u>	<u>19,207</u>
At 31 March/31 December		
<b>Net carrying amount</b>		
At 31 March/31 December	8,070	8,179
	=====	=====

**18. Inventories**

During the current financial quarter ended 31 March 2024, the Group recognised a reversal on write-down on inventories of RM9,000 (31 March 2023: a write-down of RM673,000). The provision was included in other expenses in the consolidated statement of profit or loss and other comprehensive income.

**19. Cash and cash equivalents**

Cash and cash equivalents comprised the following amounts:

	<b>31.03.2024</b>	<b>31.12.2023</b>
	RM'000	RM'000
Cash on hand and at bank	32,550	36,265
Deposits with financial institutions	4,936	11,074
	<u>37,486</u>	<u>47,339</u>
Cash and bank balances	37,486	47,339
Bank overdraft	(907)	(645)
Deposits with maturity more than 3 months	(3,547)	(9,654)
	<u>33,032</u>	<u>37,040</u>
Cash and cash equivalents	=====	=====

**KIM HIN INDUSTRY BHD**

Registration No.: 197301003569 (18203-V)

**PART A – Explanatory Notes Pursuant to MFRS 134****20. Loans and Borrowings**

The details of the Group's secured borrowings, all denominated in Ringgit Malaysia, are as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
	RM'000	RM'000
<b>Current</b>		
Bank overdraft, unsecured	907	645
RM trade facilities, unsecured	2,451	3,142
AUD trade facilities, unsecured	6,028	6,185
Hire purchase, unsecured	140	154
RM term loans, secured	2,258	2,258
AUD term loan, secured	417	600
	<u>12,201</u>	<u>12,984</u>
<b>Non-current</b>		
Hire purchase, unsecured	251	275
RM term loans, secured	4,075	4,634
AUD term loan, secured	237	309
	<u>4,563</u>	<u>5,218</u>
Total loans and borrowings	16,764	18,202
	=====	=====
	AUD'000	AUD''000
Loans and borrowings, denominated in foreign currency	2,165	2,248
	=====	=====
	RM'000	RM'000
<b>Changes in liabilities arising from financing activities</b>		
Group's borrowings (excluding bank overdraft):		
At 1 January	17,557	22,381
Drawn down of trade facilities	(1,487)	(789)
Repayment of principal portion of hire purchase	(38)	(110)
Repayment of borrowings	(729)	(3,423)
Translation differences	554	(502)
	<u>15,857</u>	<u>17,557</u>
At 31 March/31 December	=====	=====

The term loans are based on the floating interest rate and are secured by way of fixed charge over certain landed properties of a wholly owned subsidiary of the Group and corporate guarantees from the Company.

**KIM HIN INDUSTRY BHD**

Registration No.: 197301003569 (18203-V)

**PART A – Explanatory Notes Pursuant to MFRS 134****21. Derivative liabilities**

As at the end of the current financial quarter, derivatives (including financial instruments designated as hedging instruments) entered into by the Group consist of forward foreign exchange contracts entered regularly by the Group with licensed financial institutions to hedge against currency fluctuation for its trade receivables and payables as part of the normal course of business. Details of the outstanding derivative financial instruments as at 31 March 2024 are tabulated below:

	<b>Contract value</b> RM'000	<b>Fair value</b> RM'000	<b>Gain/(loss) on fair value</b> RM'000	<b>Reason for gain/(loss)</b>
Maturity within 1 year	1,642 =====	1,629 =====	(13) =====	Weakening of MYR

The fair value of forward foreign exchange contract is determined by using the market rates at the end of reporting three-month period and changes in the fair value is recognised in the profit or loss. The subsequent cumulative change in the fair value of the commitment attributable to the hedged risk is recognised as an asset or a liability with the corresponding gain or loss recognised in the profit or loss.

The derivative financial instrument is subjected to credit risk arising from the possibility of default of the counter party in meeting its contractual obligations in which the Group has a gain in the contract. This, however, is minimised as the financial instrument is executed with creditworthy financial institutions.

The Group had sufficient internal funds for its settlement as and when it falls due.

**22. Share capital, share premium and treasury shares***Issue of shares*

There was no issuance of ordinary shares during the current financial quarter.

*Treasury shares*

During the current financial quarter, the Company has not purchased any of its own shares.

Of the total 155,616,013 (31 March 2023: 155,616,013) issued and fully paid ordinary shares as at 31 March 2024, 15,376,900 (31 March 2023: 15,376,900) issued and fully paid ordinary shares are held as treasury shares by the Company.

As at 31 March 2024, the number of outstanding ordinary shares in issue after the set off is therefore 140,239,113 (31 March 2023: 140,239,113) ordinary shares of RM1 each.

**PART A – Explanatory Notes Pursuant to MFRS 134**

**23. Financial instruments**

*Determination of fair value*

Set out below is a comparison of the carrying amounts and fair values of the Group's financial instruments, by class, which are not carried at fair value in the financial statements. It does not include those short term/on demand financial assets and financial liabilities where the carrying amounts are reasonable approximation of their fair values:

	31.03.2024		31.12.2023	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
<b>Financial liabilities</b>				
Loans and borrowings	16,764	16,764	18,202	18,202

*Fair value hierarchy*

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted market prices in active markets for identical assets or liabilities,
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group's financial assets measured at fair value consist of other investments.

	RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
<b>31.03.2024</b>				
<b>Financial assets/(liabilities)</b>				
Other investments - unquoted unit trust	23,180	-	23,180	-
Derivative assets	6	-	6	-
Derivative liabilities	(19)	-	(19)	-
<b>31.12.2023</b>				
<b>Financial assets/(liabilities)</b>				
Other investments - unquoted unit trusts	17,641	-	17,641	-
Derivative assets	128	-	128	-

There have been no transfers between any levels of the fair value hierarchy and no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset during the current interim three-month period and the comparative period. All changes in the fair values are recognised in statement of comprehensive income.

**KIM HIN INDUSTRY BHD**

Registration No.: 197301003569 (18203-V)

**PART A – Explanatory Notes Pursuant to MFRS 134****24. Related party transactions**

The following table provides information on the transactions entered into between the Group and related parties during the three-month period ended 31 March 2024 and 31 March 2023:

	<b>3 months ended</b>	
	<b>31.03.2024</b>	<b>31.03.2023</b>
	RM'000	RM'000
Holding company, Kim Hin (Malaysia) Sdn Bhd		
Rental of office and warehouses	484	499
Insurance commission earned as insurance agent	71	79
A subsidiary of holding company, Kam Kam Sanitaryware Sdn Bhd		
Purchases of sanitary ware for resale	141	139
Directors' interest		
Renovation and maintenance costs	102	3
Sales of ceramic tiles	24	-
	=====	=====

The transactions have been entered into with related parties on terms and conditions that are not more favorable to the related party than those generally available to the public.

**25. Capital commitments**

The amount of capital expenditure for property, plant and equipment not provided for in the interim financial statements as at 31 March 2024 was as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
	RM'000	RM'000
Authorised and contracted for	-	270
Authorised but not contracted for	669	-
	=====	=====

**KIM HIN INDUSTRY BHD**

Registration No.: 197301003569 (18203-V)

**PART A – Explanatory Notes Pursuant to MFRS 134****26. Segmental information**

The Group operates principally in one industry and is organized into four operating segments according to geographical locations based on information reported internally. The information for each of the Group's geographical segments for the current financial quarter is as follows:

	<b>Malaysia Operation</b>	<b>China Operation</b>	<b>Australia Operation</b>	<b>Vietnam Operation</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>31.03.2024</b>					
<i>Segment Revenue</i>					
Total sales	49,124	4,764	29,995	219	84,102
Inter-segment sales	(4,179)	(532)	-	-	(4,711)
	<u>44,945</u>	<u>4,232</u>	<u>29,995</u>	<u>219</u>	<u>79,391</u>
	=====	=====	=====	=====	=====
<i>Segment Results</i>					
Segment operating (loss)/profit	(589)	217	(1,929)	(284)	(2,585)
Finance cost	(150)	-	(394)	-	(544)
	<u>(739)</u>	<u>217</u>	<u>(2,323)</u>	<u>(284)</u>	<u>(3,129)</u>
(Loss)/profit before tax	(739)	217	(2,323)	(284)	(3,129)
Income tax expense	(120)	-	26	-	(94)
	<u>(859)</u>	<u>217</u>	<u>(2,297)</u>	<u>(284)</u>	<u>(3,223)</u>
(Loss)/profit for the quarter	(859)	217	(2,297)	(284)	(3,223)
Non-controlling interest	-	(44)	-	85	41
	<u>-</u>	<u>(44)</u>	<u>-</u>	<u>85</u>	<u>41</u>
(Loss)/profit attributable to owners of the parent	<u>(859)</u>	<u>173</u>	<u>(2,297)</u>	<u>(199)</u>	<u>(3,182)</u>
	=====	=====	=====	=====	=====

The following table presents segment assets and liabilities of the Group's operating segments as at 31 March 2024:

	<b>Malaysia Operation</b>	<b>China Operation</b>	<b>Australia Operation</b>	<b>Vietnam Operation</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Segment Assets</i>					
Total assets	266,075	52,514	105,330	1,654	425,573
Inter-segment assets	-	-	-	-	-
	<u>266,075</u>	<u>52,514</u>	<u>105,330</u>	<u>1,654</u>	<u>425,573</u>
	=====	=====	=====	=====	=====
<i>Segment Liabilities</i>					
Total liabilities	43,725	4,367	72,392	247	120,731
Inter-segment liabilities	-	-	-	-	-
	<u>43,725</u>	<u>4,367</u>	<u>72,392</u>	<u>247</u>	<u>120,731</u>
	=====	=====	=====	=====	=====

**PART A – Explanatory Notes Pursuant to MFRS 134**

**26. Segmental information (contd.)**

The information for each of the Group’s geographical segments for the preceding year’s corresponding financial quarter is as follows:

	<b>Malaysia Operation</b> RM’000	<b>China Operation</b> RM’000	<b>Australia Operation</b> RM’000	<b>Vietnam Operation</b> RM’000	<b>Total</b> RM’000
<b>31.03.2023</b>					
<i>Segment Revenue</i>					
Total sales	41,277	4,187	31,397	328	77,189
Inter-segment sales	(3,817)	(555)	-	-	(4,372)
	<u>37,460</u>	<u>3,632</u>	<u>31,397</u>	<u>328</u>	<u>72,817</u>
<i>Segment Results</i>					
Segment operating loss	(9,372)	(1,362)	(1,741)	(262)	(12,737)
Finance cost	(206)	-	(463)	-	(669)
Loss before tax	(9,578)	(1,362)	(2,204)	(262)	(13,406)
Income tax expense	(95)	(117)	-	-	(212)
Loss for the quarter	(9,673)	(1,479)	(2,204)	(262)	(13,618)
Non-controlling interest	-	303	-	79	382
Loss attributable to owners of the parent	<u>(9,673)</u>	<u>(1,176)</u>	<u>(2,204)</u>	<u>(183)</u>	<u>(13,236)</u>

The following table presents segment assets and liabilities of the Group’s operating segments as at 31 March 2023:

	<b>Malaysia Operation</b> RM’000	<b>China Operation</b> RM’000	<b>Australia Operation</b> RM’000	<b>Vietnam Operation</b> RM’000	<b>Total</b> RM’000
<i>Segment Assets</i>					
Total assets	264,758	66,039	127,772	2,892	461,461
Inter-segment assets	-	-	-	-	-
	<u>264,758</u>	<u>66,039</u>	<u>127,772</u>	<u>2,892</u>	<u>461,461</u>
<i>Segment Liabilities</i>					
Total liabilities	41,614	6,775	84,127	194	132,710
Inter-segment liabilities	-	-	-	-	-
	<u>41,614</u>	<u>6,775</u>	<u>84,127</u>	<u>194</u>	<u>132,710</u>

**PART B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**27. Performance review**

*Current financial quarter as compared with preceding year's corresponding quarter*

Revenue of the Group for the current financial quarter improved to RM79.4 million from RM72.8 million, recorded in the preceding year's corresponding financial quarter ended 31 March 2023. The higher revenue for the current financial quarter was mainly due to the better sales in domestic markets.

The Group registered a loss before tax of RM3.1 million for the current financial quarter as compared to a loss before tax of RM13.4 million recorded in the preceding year's corresponding financial quarter due to higher revenue.

**28. Comment on material change in the current financial quarter's results compared to the results of the preceding quarter**

The Group's revenue for the current financial quarter has decreased marginally from RM80.2 million to RM79.4 million.

The Group recorded a loss before tax of RM3.1 million for the current financial quarter under review as compared to a loss before tax of RM25.9 million for the immediate preceding quarter, mainly due to impairments on assets provided in the preceding quarter.

**29. Commentary on prospects**

The results of the Group for the ensuing year are affected by the performance of the global economy, fluctuations in main operating costs and foreign exchange movement, beside the impact of influx of imported tiles into domestic markets.

The Group is continuously monitoring measures taken to address challenges currently faced by the Group, including review of its product matrix for its Malaysian operations.

## **KIM HIN INDUSTRY BHD**

Registration No.: 197301003569 (18203-V)

### **PART B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

#### **30. Profit forecast or profit guarantee**

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

#### **31. Commentary on progress to achieve revenue or profit estimate, forecast, projection or internal targets**

The disclosure requirements are not applicable as no announcements or disclosures were published by the Company in a public document as to the revenue or profit estimate, forecast, projection or internal targets as at the date of this announcement.

#### **32. Statement by the Board of Directors on achievability of revenue or profit estimate, forecast, projection or internal targets**

The statements of the Board of Directors' opinion are not required as no announcements or disclosures were published by the Company in a public document as to the revenue or profit estimate, forecast, projection or internal targets as at the date of this announcement.

#### **33. Status of corporate proposals**

There were no corporate proposals announced but not completed as at 29 May 2024.

#### **34. Changes in material litigation**

As at the date of this announcement, the Group is not engaged in any pending material litigation.

#### **35. Dividend payable**

No interim dividend has been declared for the financial quarter ended 31 March 2024 (31 March 2023: Nil).

#### **36. Disclosure of nature of outstanding derivatives**

Please refer to Note 21 for details.

**KIM HIN INDUSTRY BHD**

Registration No.: 197301003569 (18203-V)

**PART B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad****37. Disclosure of gains / losses arising from fair value changes of financial liabilities**

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 March 2024 and 31 March 2023.

**38. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 31 December 2023 was not subject to any qualification.

**39. Realised and unrealised earnings**

The breakdown of the retained earnings of the Group as at 31 March 2024 and 31 December 2023, into realised and unrealised earnings is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, prepared in accordance with *Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses* in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	<b>As at 31.03.2024</b>	<b>As at 31.12.2023</b>
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	90,071	88,075
- Unrealised	3,426	7,522
	<hr/>	<hr/>
	93,497	95,597
Less: Consolidated adjustments	-	1,082
	<hr/>	<hr/>
Total Group's retained earnings as per financial statements	93,497	96,679
	=====	=====

The disclosure of realised and unrealised earnings above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purpose.

**BY ORDER OF THE BOARD**

30 May 2024