

KEIN HING INTERNATIONAL BERHAD
[Company No. 200301013636 (616056-T)]

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the 1st quarter and financial period ended 31 July 2024 – unaudited

	Note	3 Months Ended		Financial Period Ended	
		31 Jul 2024	31 Jul 2023	31 Jul 2024	31 Jul 2023
<i>In thousands of RM</i>					
Revenue		88,817	80,609	88,817	80,609
Operating profit		8,288	8,431	8,288	8,431
Finance income		374	263	374	263
Finance costs		(926)	(1,134)	(926)	(1,134)
Profit before tax		7,736	7,560	7,736	7,560
Tax expense	B6	(1,269)	(1,179)	(1,269)	(1,179)
Profit for the period	B5	6,467	6,381	6,467	6,381
Other comprehensive income/(expense), net of tax					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences for foreign operations		(1,980)	207	(1,980)	207
Total comprehensive income for the period		4,487	6,588	4,487	6,588
Profit attributable to:					
Owners of the Company		5,094	5,736	5,094	5,736
Non-controlling interests		1,373	645	1,373	645
Profit for the period		6,467	6,381	6,467	6,381
Total comprehensive income attributable to:					
Owners of the Company		3,609	5,891	3,609	5,891
Non-controlling interests		878	697	878	697
Total comprehensive income for the period		4,487	6,588	4,487	6,588
Earnings per ordinary share attributable to owners of the Company (sen):					
Basic / Diluted	B11	4.68	5.27	4.68	5.27

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited consolidated financial statements for the year ended 30 April 2024 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements.

KEIN HING INTERNATIONAL BERHAD
[Company No. 200301013636 (616056-T)]

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 July 2024 – unaudited

<i>In thousands of RM</i>	Note	As at 31 Jul 2024	As at 30 Apr 2024
ASSETS			
Non-current assets			
Property, plant and equipment		96,020	100,157
Right-of-use assets		10,501	11,166
Investment property		9,034	9,077
Other investments		532	532
		<u>116,087</u>	<u>120,932</u>
Current assets			
Inventories		32,831	32,965
Contract assets		4,029	2,905
Trade and other receivables		54,262	45,706
Current tax assets		717	697
Cash and cash equivalents		81,099	82,397
		<u>172,938</u>	<u>164,670</u>
TOTAL ASSETS		<u>289,025</u>	<u>285,602</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		54,450	54,450
Reserves		123,925	120,316
		<u>178,375</u>	<u>174,766</u>
Non-controlling interests		14,597	13,719
Total equity		<u>192,972</u>	<u>188,485</u>
Non-current liabilities			
Loans and borrowings	B8	20,896	23,289
Lease liabilities		395	560
Deferred tax liabilities		3,442	3,462
		<u>24,733</u>	<u>27,311</u>
Current liabilities			
Loans and borrowings	B8	27,165	27,782
Lease liabilities		768	827
Trade and other payables		43,156	40,965
Current tax liabilities		231	232
		<u>71,320</u>	<u>69,806</u>
Total liabilities		<u>96,053</u>	<u>97,117</u>
TOTAL EQUITY AND LIABILITIES		<u>289,025</u>	<u>285,602</u>
Net assets per share attributable to owners of the Company (RM)		<u>1.64</u>	<u>1.60</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated financial statements for the year ended 30 April 2024 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements.

KEIN HING INTERNATIONAL BERHAD
[Company No. 200301013636 (616056-T)]

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the financial period ended 31 July 2024 – unaudited

	Attributable to Owners of the Company					Non-controlling interests	Total equity
	Non-distributable		Distributable		Total		
	Share capital	Translation reserve	Retained earnings				
<i>In thousands of RM</i>							
At 1 May 2024	54,450	3,731	116,585	174,766	13,719	188,485	
Profit for the period	-	-	5,094	5,094	1,373	6,467	
Other comprehensive expense for the period	-	(1,485)	-	(1,485)	(495)	(1,980)	
Total comprehensive income for the period	-	(1,485)	5,094	3,609	878	4,487	
At 31 Jul 2024	<u>54,450</u>	<u>2,246</u>	<u>121,679</u>	<u>178,375</u>	<u>14,597</u>	<u>192,972</u>	
At 1 May 2023	54,450	3,807	102,898	161,155	14,458	175,613	
Profit for the period	-	-	5,736	5,736	645	6,381	
Other comprehensive income for the period	-	155	-	155	52	207	
Total comprehensive income for the period	-	155	5,736	5,891	697	6,588	
Changes in ownership interests in a subsidiary	-	-	789	789	(789)	-	
At 31 Jul 2023	<u>54,450</u>	<u>3,962</u>	<u>109,423</u>	<u>167,835</u>	<u>14,366</u>	<u>182,201</u>	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited consolidated financial statements for the year ended 30 April 2024 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements.

KEIN HING INTERNATIONAL BERHAD
[Company No. 200301013636 (616056-T)]

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the financial period ended 31 July 2024 – unaudited

<i>In thousands of RM</i>	Financial Period Ended	
	31 Jul 2024	31 Jul 2023
Cash flows from operating activities		
Profit before tax	7,736	7,560
Adjustments for:		
Non-cash items	2,957	3,436
Non-operating items	552	871
Operating profit before changes in working capital	11,245	11,867
Changes in working capital:		
Inventories	(267)	1,831
Contract assets	(1,183)	277
Trade and other receivables	(9,575)	(5,708)
Trade and other payables	3,038	3,723
Cash generated from operations	3,258	11,990
Interest paid	(21)	(33)
Income tax paid	(1,301)	(866)
Net cash from operating activities	1,936	11,091
Cash flows from investing activities		
Acquisition of property, plant and equipment	(822)	(5,156)
Proceeds from disposal of property, plant and equipment	21	41
Interest received	374	297
Net cash used in investing activities	(427)	(4,818)
Cash flows from financing activities		
(Repayment of)/Proceeds from term loans	(1,238)	4,379
Proceeds from other borrowings	343	3,403
Repayment of hire purchase liabilities	(689)	(729)
Payment of lease liabilities	(262)	(256)
Interest paid	(905)	(1,135)
Net cash (used in)/from financing activities	(2,751)	5,662
Net (decrease)/increase in cash and cash equivalents	(1,242)	11,935
Effect of exchange rate fluctuations on cash held	(56)	(38)
Cash and cash equivalents at beginning of financial year	82,083	60,492
Cash and cash equivalents at end of financial period	80,785	72,389
Cash and cash equivalents at end of financial period comprise:		
Cash and bank balances	56,556	50,529
Deposits placed with licensed banks (net of pledged deposits)	24,229	22,098
Bank overdrafts	-	(238)
	80,785	72,389

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited consolidated financial statements for the year ended 30 April 2024 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements.

PART A: NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A1. Basis of preparation

The condensed consolidated interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of *MFRS 134: Interim Financial Reporting* and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities’ Listing Requirements”).

The condensed consolidated interim financial statements should also be read in conjunction with the audited consolidated financial statements of the Group for the last financial year ended 30 April 2024. These 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 last financial year ended 30 April 2024.

A2. Changes in accounting policies

The Group has adopted the MFRSs, Amendments to MFRSs and IC Interpretation (if applicable) which become effective during the current financial year. The adoption of these pronouncements did not have any material impact on the financial statements of the Group.

At the date of authorization of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

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

The initial applications of these MFRSs, Amendments and Interpretations, if applicable, are not expected to have material financial impacts to the current and prior periods' consolidated financial statements of the Group upon their first adoption. The MFRSs, Amendments and Interpretations which were issued but not yet effective have not been early adopted by the Group.

A3. Seasonal and cyclical factors

The Group's business operation results were not materially affected by any major seasonal and/or cyclical factors.

A4. Unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows

There were no unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows during the current 1st quarter ended 31 July 2024.

A5. Material changes in estimates

There were no changes in estimates that have had material effect for the current 1st quarter ended 31 July 2024.

A6. Issuances and repayment of debt and equity securities

There were no issuance, repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares or resale of treasury shares during the current 1st quarter under review.

A7. Dividend Paid

No interim dividend was paid during the current 1st quarter ended 31 July 2024 (2023: Nil).

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A8. Segmental information

Segmental information is presented in respect of the Group's business segments as follows:-

Results for the financial period ended 31 July 2024

	<u>Manufacturing</u>	<u>Trading</u>	<u>Investment</u> <u>Holding</u>	<u>Adjustment</u>	<u>Consolidated</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	87,511	1,306	-	-	88,817
Inter-segment	4,288	44	-	(4,332)	-
Total revenue	91,799	1,350	-	(4,332)	88,817
Segment results	9,008	(286)	(590)	156	8,288
Finance income					374
Finance costs					(926)
Profit before tax					7,736
Tax expense					(1,269)
Profit for the year					6,467

A9. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the current 1st quarter under review save as disclosed below.

On 13 September 2024, the Company has entered into a Sale and Purchase Agreement with a third-party developer for the acquisition of a semi-detached factory with office to be constructed with a built-up of approximately 15,216 square feet which will be situated on a freehold land measuring approximately 23,479.51 square feet for a net consideration of approximately RM5.9 million.

A10. Changes in the composition of the Group

There were no changes in the composition of the Group during the current 1st quarter ended 31 July 2024 save as disclosed below.

On 19 June 2024, the Group has incorporated an indirect subsidiary, KHI Eduhouse Sdn. Bhd. ("KHIE"), which is wholly-owned by Kein Hing Industry Sdn. Bhd. ("KHI"), a wholly-owned subsidiary of the Company.

A11. Changes in contingent liabilities

There were no changes in contingent liabilities or contingent assets of a material nature since the last annual reporting period.

A12. Capital commitments

Capital commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at end of the reporting period were as follows:-

	As at 31 Jul 2024 RM'000
Total approved and contracted for	1,851

A13. Fair Value Information

The Group uses the following hierarchy for determining the fair value of financial instruments carried at fair value and amortised cost, the different levels have been identified as follows:

Level 1 – Fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 – Fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Level 3 – Fair value is estimated using unobservable inputs for the financial assets and liabilities.

	Fair value of financial instruments carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
Financial assets						
Other investments	-	532	-	532	532	532
	-	532	-	532	532	532

	Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
Financial liabilities						
Secured term loans	-	-	23,658	23,658	23,658	23,658
Hire purchase liabilities	-	-	4,330	4,330	4,330	4,330
	-	-	27,988	27,988	27,988	27,988

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PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

Financial review for the current 1st Quarter ended 31 July 2024:

	1st Quarter Ended		Changes	
<i>(In thousands of RM)</i>	<u>31 Jul 2024</u>	<u>31 Jul 2023</u>		
Revenue	88,817	80,609	8,208	10%
Operating Profit	8,288	8,431	(143)	-2%
Profit Before Tax ("PBT")	7,736	7,560	176	2%
Profit After Tax	6,467	6,381	86	1%
Profit Attributable to Owners of the Company	5,094	5,736	(642)	-11%

The changes in revenue contributed by Malaysia operation and Vietnam operation respectively for the current 1st quarter under review are as follows:

	1st Quarter Ended		Changes	
<i>(In thousands of RM)</i>	<u>31 Jul 2024</u>	<u>31 Jul 2023</u>		
Malaysia Operation	37,733	37,173	560	2%
Vietnam Operation	51,084	43,436	7,648	18%
Total Revenue	88,817	80,609	8,208	10%

For the current 1st quarter, the Group revenue improved by approximately RM8.2 million or 10% mainly attributed to the surge in customer demand in Vietnam. In Malaysia, the increase in revenue mainly came from the sales of parts for screen display product. Whereas in Vietnam, sales of parts for both printer product and home appliances experienced a growth during the current quarter under review.

Following the above, the ratios of revenue from Malaysia Operation and Vietnam Operation for the 1st quarter ended 31 July 2024 changed to 42% : 58% (Q1 2024 – 46% : 54%).

The Group's PBT for the current 1st quarter increased by approximately RM176,000 only mainly due to a net foreign exchange loss as shown below:

	1 st Quarter Ended		Variance	
<i>(In thousands of RM)</i>	<u>31 Jul 2024</u>	<u>31 Jul 2023</u>		
Net foreign exchange (loss)/gain	(371)	1,036	(1,407)	-136%

The equity attributable to owners of the Group stood at RM178.4 million as at 31 July 2024 (As at 30.4.2024: RM174.8 million), which translated into Net Assets per share of RM1.64 (As at 30.4.2024: RM1.60).

The Group's cash and cash equivalents decreased from RM82.4 million as at 30 April 2024 to RM81.1 million as at 31 July 2024, representing a decrease of RM1.3 million, mainly due to the changes in working capital during the current quarter under review. The Group prudent management always maintains sufficient cash and available funds through an adequate amount of committed credit facilities and cash reserves.

B2. Variation of results against preceding quarter

Financial review for the current 1st Quarter (compared with immediate preceding 4th Quarter of the last financial year):

	Quarter Ended		Changes	
	31 Jul 2024	30 Apr 2024		
<i>(In thousands of RM)</i>				
Revenue	88,817	67,667	21,150	31%
Operating Profit	8,288	2,735	5,553	203%
Profit Before Tax ("PBT")	7,736	2,199	5,537	252%
Profit After Tax	6,467	2,382	4,085	171%
Profit Attributable to Owners of the Company	5,094	2,433	2,661	109%

The revenue contributed by Malaysia operation and Vietnam operation respectively were as follows:

	Quarter Ended		Changes	
	31 Jul 2024	30 Apr 2024		
<i>(In thousands of RM)</i>				
Malaysia Operation	37,733	30,752	6,981	23%
Vietnam Operation	51,084	36,915	14,169	38%
Total Revenue	88,817	67,667	21,150	31%

The Group revenue increased significantly by approximately RM21.2 million or 31% mainly due to the long Chinese New Year holiday which was celebrated in both Malaysia and Vietnam in February 2024, coupled with the surge in customer demand experienced in Vietnam.

In tandem with the increase in revenue, the PBT increased by approximately RM5.5 million. The Group PBT was also impacted by a net foreign exchange loss as shown below.

	Quarter Ended		Variance	
	31 Jul 2024	30 Apr 2024		
<i>(In thousands of RM)</i>				
Net foreign exchange (loss)/gain	(371)	529	(900)	-170%

B3. Prospects

In the July 2024 World Economic Outlook (“WEO”) Update, the International Monetary Fund (“IMF”) forecasted that global growth will be 3.2% in 2024 and 3.3% in 2025 respectively, with the 2024 forecast remained the same as that in the April 2024 WEO. Relative to the April 2024 WEO, first quarter growth surprised on the upside in many countries, although downside surprises in Japan and the United States were notable. Overall, risks to the outlook remain balanced, but some near-term risks such as the wars and the escalation of trade tensions could increase the cost of imported goods along the supply chain.

Barring any unforeseen circumstances, the Group expects that Malaysia Operation should maintain the current level of revenue and Vietnam Operation will experience a growth in revenue for the financial year ending 30 April 2025.

B4. Variance of actual and forecast profit

The Group did not provide any financial estimate, forecast or projection, or profit guarantee for the financial year ending 30 April 2025.

B5. Profit for the period

	1st Quarter Ended 31 Jul 2024 RM'000	Period Ended 31 Jul 2024 RM'000
Profit for the period is arrived at after charging/(crediting):-		
Depreciation and amortisation	3,157	3,157
Property, plant and equipment written off	1	1
Net foreign exchange loss	371	371
Finance costs	926	926
Gain on disposal of property, plant and equipment	(16)	(16)
Reversal of write-down of inventories	(184)	(184)
Finance income	(374)	(374)

B6. Income tax expense

	1st Quarter Ended 31 Jul 2024 RM'000	Period Ended 31 Jul 2024 RM'000
Current tax expense		
- <i>Malaysian income tax</i>	566	566
- <i>Foreign income tax</i>	724	724
- <i>Over provision in prior year</i>	(1)	(1)
	<u>1,289</u>	<u>1,289</u>
Deferred tax expense	<u>(20)</u>	<u>(20)</u>
Total	<u><u>1,269</u></u>	<u><u>1,269</u></u>

The effective tax rate of the Group for the financial period was lower than the statutory income tax rate of 24% mainly due to the tax incentive enjoyed by foreign subsidiaries.

B7. Status of corporate proposal announced

There were no corporate proposals announced but not completed as at the date of this report.

B8. Group loans and borrowings (secured)

The Group's loans and borrowings as at 31 July 2024 (compared with that of the last financial year ended 30 April 2024) were as follows:

	As at 31 July 2024					
	Long Term (Secured)		Short Term (Secured)		Total Borrowings (Secured)	
	Foreign	RM	Foreign	RM	Foreign	RM
	Denomination	Denomination	Denomination	Denomination	Denomination	Denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	18,900	-	4,758	-	23,658	-
Hire purchase	-	1,996	-	2,334	-	4,330
Bankers' acceptance	-	-	-	4,636	-	4,636
Bills payable	-	-	15,087	350	15,087	350
Bank overdrafts	-	-	-	-	-	-
Total	18,900	1,996	19,845	7,320	38,745	9,316
Grand Total		20,896		27,165		48,061

	As at 30 April 2024					
	Long Term (Secured)		Short Term (Secured)		Total Borrowings (Secured)	
	Foreign	RM	Foreign	RM	Foreign	RM
	Denomination	Denomination	Denomination	Denomination	Denomination	Denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	20,851	-	4,998	-	25,849	-
Hire purchase	-	2,438	-	2,476	-	4,914
Bankers' acceptance	-	-	-	4,820	-	4,820
Bills payable	-	-	15,138	350	15,138	350
Bank overdrafts	-	-	-	-	-	-
Total	20,851	2,438	20,136	7,646	40,987	10,084
Grand Total		23,289		27,782		51,071

The Group's loans and borrowings are denominated in Ringgit Malaysia except for certain term loans and bills payable amounting to approximately RM11.7 million (as at 30 April 2024: RM10.1 million) and RM27.0 million (as at 30 April 2024: RM30.9 million) which are denominated in US Dollar and Vietnam Dong respectively. The repayment of these foreign denomination loans and borrowings will be funded by the net cash generated from operating activities in their own foreign denomination respectively.

B9. Changes in material litigation

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or any of its subsidiaries and the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiaries.

B10. Dividend payable

No interim dividend was declared during the current 1st quarter ended 31 July 2024 (2023: NIL).

The first and final single tier dividend of 2.5 sen per share totalling RM2,722,500 in respect of the last financial year ended 30 April 2024 (2023: 2.0 sen per share totalling RM2,178,000), if passed, shall be payable on 21 November 2024.

B11. Basic earnings per ordinary share

The basic earnings per ordinary share is calculated by dividing profit attributable to owners of the Company for the period by the weighted average number of ordinary shares in issue during the current 1st quarter under review as follows:-

	1st Quarter Ended 31 Jul 2024 RM'000	1st Quarter Ended 31 Jul 2023 RM'000
Earnings		
Profit attributable to Owners of the Company	<u>5,094</u>	<u>5,736</u>
Weighted average number of ordinary shares in issue ('000)	<u>108,900</u>	<u>108,900</u>
Basic earnings per ordinary share (sen)	<u>4.68</u>	<u>5.27</u>

B12. Auditors' report on preceding annual financial statements

The independent auditors' report on the audited annual financial statements of the Group and of the Company for the last financial year ended 30 April 2024 was unmodified.

B13. Authorisation for issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 September 2024.

By Order of the Board,

Yap Toon Choy
Group Managing Director
27 September 2024