



# **NI HSIN RESOURCES BERHAD**

(Company No.: 653353-W)

(Incorporated in Malaysia under the Companies Act, 1965)

## **INTERIM FINANCIAL STATEMENTS**

### **FOR THE THREE MONTHS ENDED**

**31 MARCH 2011**

**NI HSIN RESOURCES BERHAD**

(Company no. 653353-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2011**

(The figures have not been audited)

	Note	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
		31.3.2011 RM'000	31.3.2010 RM'000	31.3.2011 RM'000	31.3.2010 RM'000
Revenue	A10	7,723	7,770	7,723	7,770
Cost of sales		(6,134)	(5,655)	(6,134)	(5,655)
<b>Gross Profit</b>		<b>1,589</b>	<b>2,115</b>	<b>1,589</b>	<b>2,115</b>
Other operating income		150	353	150	353
Operating expenses		(2,289)	(2,058)	(2,289)	(2,058)
Interest income		8	16	8	16
Finance costs		(34)	(13)	(34)	(13)
<b>(Loss) / Profit before taxation</b>		<b>(576)</b>	<b>413</b>	<b>(576)</b>	<b>413</b>
Income tax expenses	B5	(216)	(266)	(216)	(266)
<b>(Loss)/ Profit for the period</b>		<b>(792)</b>	<b>147</b>	<b>(792)</b>	<b>147</b>
<b>Other comprehensive income, net of tax</b>					
Foreign currency translation differences for foreign operations		(33)	(2)	(33)	(2)
<b>Total comprehensive (loss)/ income for the period</b>		<b>(825)</b>	<b>145</b>	<b>(825)</b>	<b>145</b>
<b>(Loss)/ Profit attributable to:</b>					
Owners of the Company		(792)	147	(792)	147
Minority interests		-	-	-	-
<b>(Loss)/ Profit for the period</b>		<b>(792)</b>	<b>147</b>	<b>(792)</b>	<b>147</b>
<b>Total comprehensive (loss)/ income attributable to:</b>					
Owners of the Company		(825)	145	(825)	145
Minority interests		-	-	-	-
<b>Total comprehensive (loss)/ income for the period</b>		<b>(825)</b>	<b>145</b>	<b>(825)</b>	<b>145</b>
<b>(Loss)/ Earnings per share (sen)</b>					
~ Basic	B14	(0.34)	0.06	(0.34)	0.06
~ Diluted	B14	N/A	N/A	N/A	N/A

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 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 MARCH 2011**

(The figures have not been audited)

		(UNAUDITED) AS AT 31.3.2011 RM'000	(AUDITED) AS AT 31.12.2010 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A7	33,604	34,316
Goodwill		5,105	5,105
		<u>38,709</u>	<u>39,421</u>
<b>Current assets</b>			
Inventories		17,112	17,324
Receivables, deposits and prepayments		3,718	4,424
Other current financial assets	B10	34	19
Tax recoverable		1,711	715
Cash & cash equivalent		4,977	3,616
		<u>27,552</u>	<u>26,098</u>
<b>TOTAL ASSETS</b>		<u>66,261</u>	<u>65,519</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		47,320	47,320
Reserves		9,279	10,104
<b>Total equity</b>		<u>56,599</u>	<u>57,424</u>
<b>Non-current liabilities</b>			
Deferred tax liability		2,260	2,192
		<u>2,260</u>	<u>2,192</u>
<b>Current liabilities</b>			
Payables and accruals		4,308	4,917
Borrowings	B9	2,277	980
Taxation		817	6
		<u>7,402</u>	<u>5,903</u>
<b>Total liabilities</b>		<u>9,662</u>	<u>8,095</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>66,261</u>	<u>65,519</u>
<b>Net Assets per share attributable to owners of the Company (RM)</b>		0.25	0.25

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2011**  
 (The figures have not been audited)

	Non Distributable						Distributable		
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Share Option Reserve RM'000	Translation Reserve RM'000	Property Revaluation Reserve RM'000	Retained Profits RM'000	Total RM'000	
<b>At 1 January 2010</b>	47,320	1,820	(1,676)	306	-	4,924	6,290	58,984	
Total comprehensive income for the period	-	-	-	-	(2)	-	147	145	
<b>At 31 March 2010</b>	<u>47,320</u>	<u>1,820</u>	<u>(1,676)</u>	<u>306</u>	<u>(2)</u>	<u>4,924</u>	<u>6,437</u>	<u>59,129</u>	
<b>At 1 January 2011</b>	47,320	1,820	(1,676)	-	7	4,924	5,029	57,424	
Total comprehensive income for the period	-	-	-	-	(33)	-	(792)	(825)	
<b>At 31 March 2011</b>	<u>47,320</u>	<u>1,820</u>	<u>(1,676)</u>	<u>-</u>	<u>(26)</u>	<u>4,924</u>	<u>4,237</u>	<u>56,599</u>	

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 2010 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 THREE MONTHS PERIOD ENDED 31 MARCH 2011**

(The figures have not been audited)

	3 MONTHS ENDED	
	31.3.2011 RM'000	31.3.2010 RM'000
Net cash generated from/(used in) operating activities	127	(3)
Net cash used in investing activities	(50)	(259)
Net cash generated from/(used in) financing activities	<u>647</u>	<u>(2,100)</u>
Net increase/(decrease) in cash and cash equivalents	724	(2,362)
Effect of exchange rate fluctuations on cash and cash equivalents	(13)	(45)
Cash and cash equivalents at 1 January	<u>3,357</u>	<u>8,798</u>
Cash and cash equivalents at 31 March	<u><u>4,068</u></u>	<u><u>6,391</u></u>

## Notes:

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

	RM'000	RM'000
Bank and Cash balances	3,048	3,835
Fixed Deposit & Repo with licensed bank	1,929	2,556
Bank overdraft (included within short term borrowings in Note B9)	<u>(909)</u>	<u>-</u>
	<u><u>4,068</u></u>	<u><u>6,391</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 2010 and the accompanying explanatory notes attached to the Interim Financial Statements.

**NI HSIN RESOURCES BERHAD**

(Company no. 653353-W)

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2011**

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134: INTERIM FINANCIAL REPORTING**

**A1 BASIS OF PREPARATION**

The interim financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard (FRS) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010. 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 2010.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations which are applicable for the Group's financial period beginning 1 January 2011.

- FRS 1, *First-time Adoption of Financial Reporting Standards*
- FRS 3, *Business Combinations (Revised)*
- FRS 127, *Consolidated and Separate Financial Statements (revised)*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
  - *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
  - *Additional Exemptions for First-time Adopters*
- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 2, *Group Cash-settled Share Based Payment Transactions*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
- Amendments to FRS 132, *Financial Instruments: Presentation – Classification of Rights Issues*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 4, *Determining whether an Arrangement contains a Lease*
- IC Interpretation 12, *Service Concession Agreements*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distributions of Non-cash Assets to Owners*
- IC Interpretation 18, *Transfers of Assets from Customers*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*
- Improvements to FRSs (2010)

The Group has not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective.

***FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011***

- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*

***FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012***

- FRS 124, *Related Party Disclosures (revised)*
- IC Interpretation 15, *Agreements for the Construction of Real Estate*

FRS 1 (revised), IC Interpretation 12, IC Interpretation 16 and Amendments to FRS 1 are not applicable to the Group and the Company.

**A1 BASIS OF PREPARATION (CONT.)**

The Group and the Company plan to adopt the abovementioned standards, amendments and interpretations from the annual period beginning on 1 January 2012 for those standards, amendments and interpretations that will be effective for annual periods beginning on or after 1 July 2011 and 1 January 2012, except for Amendments to IC Interpretation 14, IC Interpretation 19 and IC Interpretation 15 which are not applicable to the Group and the Company.

The adoption of the other new and revised FRSs, IC Interpretations and Amendments has no material effect to the Group's consolidated financial statements of the quarter or the comparative consolidated financial statements of the prior financial year.

## **A2 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 2010.

## **A3 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.

## **A4 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 ended 31 March 2011.

## **A5 MATERIAL CHANGES IN ESTIMATES**

There were no material changes in estimates that have a material effect on the results for the current quarter ended 31 March 2011.

## **A6 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 for the current financial period to-date:

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

At the Annual General Meeting of the Company held on 18 May 2011, 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 and paid-up 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.

**A6 ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES (CONT.)**

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

There was no additional share purchased during the quarter ended 31 March 2011, and the total number of treasury shares were 5,642,400 ordinary shares of RM0.20 each, representing 2.39% of the total paid-up share capital of the Company. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. None of the treasury shares were sold or cancelled during the financial period under review.

**A7 CARRYING AMOUNT OF REVALUED ASSETS**

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2010.

**A8 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 financial period ended 31 March 2011.

**A9 DIVIDEND PAID**

No dividend was paid during the current quarter ended 31 March 2011.

**A10 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 period under review based on activities are as follows:



A10 SEGMENTAL INFORMATION (CONT.)

RESULTS FOR 3 MONTHS ENDED 31 MARCH 2011

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.3.2011 RM'000	31.3.2010 RM'000	31.3.2011 RM'000	31.3.2010 RM'000
<b><u>Segment Revenue</u></b>				
Revenue from:				
Cookware	4,668	4,844	4,668	4,844
Convex mirror	1,744	1,623	1,744	1,623
Clad metals	2,372	2,941	2,372	2,941
Others	159	-	159	-
Total revenue including inter-segment sales	8,943	9,408	8,943	9,408
Elimination of inter-segment sales	(1,220)	(1,638)	(1,220)	(1,638)
Total	7,723	7,770	7,723	7,770

**Segment Results**

Results from:				
Cookware	(1,246)	(434)	(1,246)	(434)
Convex mirror	89	386	89	386
Clad metals	302	642	302	642
Others	69	-	69	-
	(786)	594	(786)	594
Elimination of inter-segment sales	271	(60)	271	(60)
Total result	(515)	534	(515)	534
Unallocated corporate expenses	(35)	(124)	(35)	(124)
Interest income	8	16	8	16
Interest expenses	(34)	(13)	(34)	(13)
Income tax expense	(216)	(266)	(216)	(266)
(Loss)/profit for the period	(792)	147	(792)	147

A11 MATERIAL SUBSEQUENT EVENTS

There were no material events subsequent to the end of the quarter that have not been reflected in the financial statements for the financial period under review.

A12 CONTINGENT LIABILITIES

Save as disclosed below, the Company is not aware of any other contingent liabilities as at 31 March 2011:

	<b>31.3.2011</b>
	RM'000
- Corporate guarantee given by the Company to licensed banks for credit facilities granted to NHC	26,140
	<u>26,140</u>

### A13 CAPITAL COMMITMENT

Capital commitments not provided for in the financial statements as at 31 March 2011 are as follows:

	31.3.2011 RM'000
Approved and contracted for	
- Plant & Equipment	<u>123</u>

### A14 SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transactions which involve the directors of the Group for the financial period ended 31 March 2011 are as follows:

	Transaction value for 3 months ended 31.3.2011 RM'000	Balance outstanding as at 31.3.2011 RM'000
With a company in which the Company's directors, Hsiao Chih Jen, Hsiao Chih Chien and Hsiao Chih Che, have substantial financial interests		
Sun New Stainless Steel Industry Ltd.		
Sales	(259)	110
Purchases	43	(46)
Standardworld Holding Ltd.		
Royalty fee payable	28	(365)
With a company in which the Company's directors, Hsiao Chih Jen and Hsiao Chih Chien, have substantial financial interests		
Everpro Sdn. Bhd.		
Sales	(1,481)	1,477
Rental income	41	-
With a company in which the Company's director, Hsiao Chih Chien, has substantial financial interests		
I.D.M. Creative Development Co. Ltd.		
Sales	(108)	247
Purchases	140	(142)

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

**B1 REVIEW OF PERFORMANCE**

For the quarter ended 31 March 2011, the Group recorded a revenue of RM7.723 million and loss before taxation ("LBT") of RM0.576 million. Revenue in the current quarter was approximate to the revenue achieved compared to the previous year's corresponding quarter, notwithstanding the impact of the weaker US dollar in the current quarter. Operating expenses in the current quarter increased mainly due to the operational expenses of our Italian subsidiary company, Steel Crafts Europa S.R.L., higher marketing expenses incurred to penetrate the European market and operational costs of our restaurant business. As a result, the Group PBT incurred a LBT of RM0.576 million in the current quarter.

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

(i) Cookware Division

The Group's revenue for the current quarter was lower than that achieved in previous year's corresponding quarter mainly due to a weaker US dollar which our export sales are based on, and a generally weak market condition. The Cookware division's operating expenses also increased due to the additional operating costs of our Italian subsidiary.

(ii) Convex Mirror Division

The Group's Convex Mirror Division achieved a revenue of RM1.744 million, which is an improvement compared to a revenue of RM1.623 million in the previous comparative quarter. The Group's stainless steel convex mirrors sales improved due to better demand for the products.

(iii) Clad Metal Division

The Clad Metal Division's revenue declined due to lower orders from the Group's customers in Japan in line with the weak demand for high end cookware experienced during the period.

**B2 COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS**

	3 months ended 31.3.2011	3 months ended 31.12.2010
	RM'000	RM'000
Revenue	7,723	9,993
Profit before taxation	(576)	(664)
Loss for the period	(792)	(368)

Seasonally, the Group's revenue for the first quarter will be the weakest due to the Chinese New Year festive break and lower demand after the peak sales period in the fourth quarter of the previous year. The Group's profit after tax is lower due to a higher provision for taxation. Please refer to Note B5 Taxation.

**B3 COMMENTARY ON PROSPECT**

Though there are signs of global economic recovery, the current financial year will still be a challenging period for the premium cookware business. The earthquake and tsunami in Japan in the first quarter has caused the cookware demand in our major export market to be affected. Though none of our customers in Japan were directly hit by the earthquake and tsunami, the demand for cookware will be expected to be soft given that the focus would be on the recovery of infrastructure and buildings. The management is of the view that the Group will still face a weak consumer demand for premium cookware in the current financial year. The Group will place more focus in convex mirrors and developing the European market. The management expects the Group's revenue to be maintained in this current financial year.

#### B4 VARIANCES FROM PROFIT FORECAST OR PROFIT GUARANTEE

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

#### B5 TAXATION

	Current Quarter 3 months ended 31.3.2011 RM'000	Cumulative Quarter 3 months ended 31.3.2011 RM'000
In respect of the current period		
- Malaysian tax	148	148
- Deferred tax	68	68
	<u>216</u>	<u>216</u>
In respect of the prior year		
- Malaysian tax	-	-
	<u>216</u>	<u>216</u>

The effective tax rate of the Group is higher than the statutory tax rate mainly due to the losses of two of the subsidiaries which cannot be set off against taxable profit made by another subsidiary, and certain expenses which are not deductible for tax purposes.

#### B6 RETAINED EARNINGS

The breakdown of retained earnings of the Group as at the reporting date into realised and unrealised profits pursuant to Bursa Malaysia Securities Berhad's directive dated 25 March 2010 is as follows:

	As at 31.3.2011 RM'000	As at 31.12.2010 RM'000
Total retained profits of the Group:		
Realised	38,094	40,587
Unrealised	(919)	(2,396)
	<u>37,175</u>	<u>38,191</u>
Less: Consolidation adjustments	(32,938)	(33,162)
Total Group retained profits as per consolidated accounts	<u>4,237</u>	<u>5,029</u>

The determination of realised and unrealised profits is made based on the Guidance On Special Matter No 1 - Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

**B7 PROFIT ON SALES OF UNQUOTED INVESTMENTS AND/OR PROPERTIES**

There was no purchase or disposal of unquoted investment and/or properties during the current quarter ended 31 March 2011.

**B8 PURCHASE OR DISPOSAL OF QUOTED SECURITIES**

There was no purchase or disposal of quoted securities during the current quarter ended 31 March 2011.

**B9 GROUP BORROWINGS**

Save as disclosed below, there were no other borrowings or debt securities in the Group as at 31 March 2011:

	As at 31.3.2011 RM'000	As at 31.12.2010 RM'000
<b>Current:</b>		
Bank overdraft	1,368	259
Bankers' acceptance - secured	909	721
	2,277	980

All borrowings are denominated in Malaysia Ringgit.

**B10 FINANCIAL INSTRUMENTS**

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

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

***Outstanding derivatives***

The Group had not entered into any new type of derivatives in the current interim quarter that was not disclosed in the preceding year's annual financial statements. As at 31 March 2011, total contract value and fair value of the Group outstanding derivative financial instruments are as follows:-

Type of derivatives	Notional Value RM'000	Fair Value RM'000	Fair Value Net gain RM'000	Cash Requirement RM'000
Forward foreign exchange contracts				
- Less than 1 year				
- In Japanese Yen	1,099	1,067	32	-
- In US Dollar	305	303	2	-

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 minimal credit and market risk as the above forward contracts are executed with a creditworthy financial institution. The Group is of the view that the possibility of non-performance by the financial institution is remote on the basis of their financial strength.

## B11 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

As at 31 March 2011, the Group does not have any financial liabilities measured at fair value through profit or loss.

## B12 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.

## B13 STATUS OF CORPORATE PROPOSALS

On 23 July 2010, the Company has submitted an application to the Securities Commission ("SC") seeking its approval for an extension of time of twelve (12) months from 9 August 2010 to 8 August 2011, for its subsidiary company, Ni Hsin Corporation Sdn Bhd ("NHC") to obtain all the necessary approvals in respect of the rectification of non-approved structures and covered terrace of its factories. The SC has approved the application of the extension of time vide its letter dated 18 August 2010.

On 8 January 2010, NHC has submitted the building plan and other relevant documents to Majlis Perbandaran Kajang for the covered terrace.

On 24 February 2010, Majlis Perbandaran Kajang has given conditional approval on the building plan of the covered terrace subject to submission of amended building plan and additional documents requested.

On 10 May 2010, NHC has submitted the amended building and additional documents plan to Majlis Perbandaran Kajang for approval of the covered terrace.

On 4 August 2010, NHC has received the approval of the building plan of the covered terrace from Majlis Perbandaran Kajang via their letter dated 20 July 2010.

On 29 October 2010, Bahagian Bangunan, Jabatan Kejuruteraan of Majlis Perbandaran Kajang issued its letter stating it has inspected the site and has no objections to Majlis Perbandaran Kajang for the issuance of the Certificate of Fitness for the covered terrace of the factory.

As at 13 May 2011 (the latest practicable date not earlier than seven (7) days from the date of issue of this report), NHC is preparing necessary document for application to Majlis Perbandaran Kajang for Certificate of Fitness of the building. NHC's architects are currently preparing the building plan for the non-approved structures and has submitted the building plan in February 2011 to Majlis Perbandaran Kajang for approval.

## B14 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 in issue during the period.

	Current Quarter		Cumulative Quarter	
	3 months ended	3 months ended	3 months ended	3 months ended
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
<b>Basic EPS</b>				
(Loss)/ profit attributable to owners of the Company (RM '000)	(792)	147	(792)	147
Weighted average no. of ordinary shares in issue ('000)	230,958	230,958	230,958	230,958
Basic EPS (sen)	(0.34)	0.06	(0.34)	0.06

**B14 EARNINGS PER SHARE ("EPS") (CONT.)**

**(b) Diluted**

Diluted EPS is not applicable to the Company.

**B15 DIVIDEND**

No interim dividend has been recommended for the current quarter and financial period under review.

**B16 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 18 May 2011.

By order of the Board of Directors  
**NI HSIN RESOURCES BERHAD**

HSIAO CHIH JEN  
Managing Director

Date: 18 May 2011