



NI HSIN

NI HSIN RESOURCES BERHAD

(Company No.: 653353-W)

(Incorporated in Malaysia under the Companies Act, 1965)

INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

30 JUNE 2011

NI HSIN RESOURCES BERHAD

(Company no. 653353-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2011**

(The figures have not been audited)

	Note	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 6 MONTHS ENDED	
		30.6.2011 RM'000	30.6.2010 RM'000	30.6.2011 RM'000	30.6.2010 RM'000
Revenue	A10	9,157	8,664	16,880	16,434
Cost of sales		(6,910)	(6,590)	(13,044)	(12,245)
Gross Profit		<u>2,247</u>	<u>2,074</u>	<u>3,836</u>	<u>4,189</u>
Other operating income		154	104	305	457
Operating expenses		(2,387)	(2,046)	(4,676)	(4,104)
Interest income		8	13	16	29
Finance costs		(31)	(15)	(65)	(28)
(Loss) / Profit before taxation		<u>(9)</u>	<u>130</u>	<u>(584)</u>	<u>543</u>
Income tax expenses	B5	(196)	(172)	(412)	(438)
(Loss)/ Profit for the period		<u>(205)</u>	<u>(42)</u>	<u>(996)</u>	<u>105</u>
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		(23)	12	(56)	10
Total comprehensive (loss)/ income for the period		<u>(228)</u>	<u>(30)</u>	<u>(1,052)</u>	<u>115</u>
(Loss)/ Profit attributable to:					
Owners of the Company		(205)	(42)	(996)	105
Minority interests		-	-	-	-
(Loss)/ Profit for the period		<u>(205)</u>	<u>(42)</u>	<u>(996)</u>	<u>105</u>
Total comprehensive (loss)/ income attributable to:					
Owners of the Company		(228)	(30)	(1,052)	115
Minority interests		-	-	-	-
Total comprehensive (loss)/ income for the period		<u>(228)</u>	<u>(30)</u>	<u>(1,052)</u>	<u>115</u>
(Loss)/ Earnings per share (sen)					
~ Basic	B14	(0.09)	(0.02)	(0.43)	0.05
~ 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 30 JUNE 2011**

(The figures have not been audited)

	Note	(UNAUDITED) AS AT 30.6.2011 RM'000	(AUDITED) AS AT 31.12.2010 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A7	33,107	34,316
Goodwill		5,105	5,105
		<u>38,212</u>	<u>39,421</u>
Current assets			
Inventories		18,418	17,324
Receivables, deposits and prepayments		3,437	4,424
Other current financial assets	B10	7	19
Tax recoverable		1,770	715
Cash & cash equivalent		4,225	3,616
		<u>27,857</u>	<u>26,098</u>
TOTAL ASSETS		<u>66,069</u>	<u>65,519</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		47,320	47,320
Reserves		9,052	10,104
Total equity		<u>56,372</u>	<u>57,424</u>
Non-current liabilities			
Deferred tax liability		2,214	2,192
		<u>2,214</u>	<u>2,192</u>
Current liabilities			
Payables and accruals		4,657	4,917
Borrowings	B9	2,009	980
Taxation		817	6
		<u>7,483</u>	<u>5,903</u>
Total liabilities		<u>9,697</u>	<u>8,095</u>
TOTAL EQUITY AND LIABILITIES		<u>66,069</u>	<u>65,519</u>
Net Assets per share attributable to owners of the Company (RM)		0.24	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.

NI HSIN RESOURCES BERHAD
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 (Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 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
At 1 January 2010	47,320	1,820	(1,676)	306	-	4,924	6,290	58,984
Total comprehensive income for the period	-	-	-	-	10	-	105	115
Dividend - 2009 Final	-	-	-	-	-	-	(1,161)	(1,161)
At 30 June 2010	47,320	1,820	(1,676)	306	10	4,924	5,234	57,938
At 1 January 2011	47,320	1,820	(1,676)	-	7	4,924	5,029	57,424
Total comprehensive income for the period	-	-	-	-	(56)	-	(996)	(1,052)
At 30 June 2011	47,320	1,820	(1,676)	-	(49)	4,924	4,033	56,372

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
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 (Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2011
 (The figures have not been audited)

	6 MONTHS ENDED	
	30.6.2011 RM'000	30.6.2010 RM'000
Net cash used in operating activities	(96)	(2,355)
Net cash used in investing activities	(323)	(631)
Net cash generated from/(used in) financing activities	<u>767</u>	<u>(2,006)</u>
Net increase/(decrease) in cash and cash equivalents	348	(4,992)
Effect of exchange rate fluctuations on cash and cash equivalents	(1)	(14)
Cash and cash equivalents at 1 January	<u>3,357</u>	<u>8,798</u>
Cash and cash equivalents at 30 June	<u><u>3,704</u></u>	<u><u>3,792</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	2,791	2,080
Fixed Deposit & Repo with licensed bank	1,434	1,716
Bank overdraft (included within short term borrowings in Note B9)	<u>(521)</u>	<u>(4)</u>
	<u><u>3,704</u></u>	<u><u>3,792</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 30 JUNE 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 and financial period ended 30 June 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 and financial period ended 30 June 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 30 June 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 30 June 2011.

A9 DIVIDEND PAID

No dividend was paid during the current quarter and financial period ended 30 June 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 6 MONTHS ENDED 30 JUNE 2011

	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30.6.2011	30.6.2010	30.6.2011	30.6.2010
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
Revenue from:				
Cookware	6,061	5,917	10,729	10,761
Convex mirror	2,197	1,710	3,941	3,333
Clad metals	2,838	2,852	5,210	5,793
Others	191	-	350	-
Total revenue including inter-segment sales	11,287	10,479	20,230	19,887
Elimination of inter-segment sales	(2,130)	(1,815)	(3,350)	(3,453)
Total	9,157	8,664	16,880	16,434

Segment Results

Results from:				
Cookware	(440)	(335)	(1,686)	(769)
Convex mirror	523	87	613	473
Clad metals	89	564	391	1,206
Others	93	-	162	-
	265	316	(520)	910
Elimination of inter-segment sales	(183)	(15)	88	(75)
Total result	82	301	(432)	835
Unallocated corporate expenses	(68)	(169)	(103)	(293)
Interest income	8	13	16	29
Interest expenses	(31)	(15)	(65)	(28)
Income tax expense	(196)	(172)	(412)	(438)
(Loss)/profit for the period	(205)	(42)	(996)	105

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 30 June 2011:

	30.6.2011
	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 30 June 2011 are as follows:

	30.6.2011 RM'000
Approved and contracted for	
- Plant & Equipment	<u>258</u>

A14 SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transactions which involve the directors of the Group for the financial period ended 30 June 2011 are as follows:

	Transaction value for 6 months ended 30.6.2011 RM'000	Balance outstanding as at 30.6.2011 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	(1,250)	-
Purchases	87	-
Standardworld Holding Ltd.		
Royalty fee payable	66	(253)
With a company in which the Company's directors, Hsiao Chih Jen and Hsiao Chih Chien, have substantial financial interests		
Everpro Sdn. Bhd.		
Sales	(2,603)	1,149
Purchases	22	-
Rental income	81	-
With a company in which the Company's director, Hsiao Chih Chien, has substantial financial interests		
I.D.M. Creative Development Co. Ltd.		
Sales	(125)	-
Purchases	832	90

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

B1 REVIEW OF PERFORMANCE

For the quarter ended 30 June 2011, the Group operated in a difficult economic environment due to the slow down in Japan, which is the Group's main export market, that was impacted by the massive earthquake and tsunami in the first quarter of 2011. The Group recorded a revenue of RM9.157 million and loss before taxation ("LBT") of RM0.009 million. Revenue in the current quarter improved by RM0.493 million or 6% compared to the revenue of the previous year's corresponding quarter, mainly from convex mirror sales. Operating expenses in the current quarter however increased by RM0.341 million or 17%, mainly due to the operational expenses of our Italian subsidiary company, Steel Crafts Europa S.R.L., and operational costs of our restaurant business.

The Group's revenue for the 6 month period ended 30 June 2011 was RM16.880 million, which was an improvement of 3% compared to the previous year's corresponding period. However, the Group incurred a LBT of RM0.584 million for the current period compared to a Profit Before Tax of RM0.543 million in the previous year due to weak demand for premium cookware in the export markets, weak US dollar, and higher operating expenses.

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

(i) Cookware Division

The Group's revenue for the current quarter improved marginally compared to the revenue achieved in the previous year's corresponding quarter notwithstanding a weak market condition for the Group's export markets. The Cookware division's operating expenses also increased due to the additional operating costs of our Italian subsidiary. The Group's Italian subsidiary incurred an operating loss of RM0.553 million as the Italian Subsidiary is still at the market penetration phase.

(ii) Convex Mirror Division

The Group's Convex Mirror Division achieved a revenue of RM2.197 million, which is an improvement compared to a revenue of RM1.710 million in the previous comparative quarter. The Group's stainless steel convex mirrors sales increased due to better demand for the products and improved marketing efforts.

(iii) Clad Metal Division

The Clad Metal Division's revenue was maintained compared to the previous year's corresponding quarter's revenue.

B2 COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	3 months ended 30.6.2011	3 months ended 31.3.2011
	RM'000	RM'000
Revenue	9,157	7,723
Loss before taxation	(9)	(576)
Loss for the period	(205)	(792)

The Group's revenue improved due to better sales of convex mirrors whilst the other divisions' revenue were maintained. The Group incurred a lower loss before tax due to the higher revenue compared to the previous quarter.

B3 COMMENTARY ON PROSPECT

The current financial year will be a challenging period for the premium cookware business. The earthquake and tsunami in Japan in the first quarter of 2011 has affected the cookware demand in Japan, which is our major export market. The global economy is also facing more uncertainties due to the European debt crisis, inflationary pressures and high commodity prices. 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 focus more in convex mirrors, improving the market for the Group's in-house brand Buffalo 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 30.6.2011 RM'000	Cumulative Quarter 6 months ended 30.6.2011 RM'000
In respect of the current period		
- Malaysian tax	242	390
- Deferred tax	<u>(46)</u>	<u>22</u>
	<u>196</u>	<u>412</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 30.6.2011 RM'000	As at 31.12.2010 RM'000
Total retained profits of the Group:		
Realised	39,339	40,587
Unrealised	<u>(2,237)</u>	<u>(2,396)</u>
	37,102	38,191
Less: Consolidation adjustments	<u>(33,069)</u>	<u>(33,162)</u>
Total Group retained profits as per consolidated accounts	<u>4,033</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 30 June 2011.

B8 PURCHASE OR DISPOSAL OF QUOTED SECURITIES

There was no purchase or disposal of quoted securities during the current quarter ended 30 June 2011.

B9 GROUP BORROWINGS

Save as disclosed below, there were no other borrowings or debt securities in the Group as at 30 June 2011:

	As at 30.6.2011 RM'000	As at 31.12.2010 RM'000
Current:		
Bank overdraft	521	259
Bankers' acceptance - secured	1,488	721
	2,009	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 30 June 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/ (loss) RM'000	Cash Requirement RM'000
Forward foreign exchange contracts				
- Less than 1 year				
- In Japanese Yen	1,028	1,029	(1)	-
- In US Dollar	1,262	1,254	8	-

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 30 June 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.

NHC is currently awaiting the inspection of the site from Jabatan Bomba. Once the approval of Jabatan Bomba is obtained, Bahagian Bangunan, Jabatan Kejuruteraan of Majlis Perbandaran Kajang can then issue the approval for the structure.

As at 1 August 2011, NHC has submitted its application to the SC to seek a further extension of time until 31 March 2012 for the company to obtain all the necessary approvals in respect of the rectification of the non-approved structures and to comply with the SC Condition.

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	30.6.2010	6 months ended	30.6.2010
Basic EPS				
(Loss)/ profit attributable to owners of the Company (RM '000)	(205)	(42)	(996)	105
Weighted average no. of ordinary shares in issue ('000)	230,958	230,958	230,958	230,958
Basic EPS (sen)	(0.09)	(0.02)	(0.43)	0.05

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 16 August 2011.

By order of the Board of Directors
NI HSIN RESOURCES BERHAD

HSIAO CHIH JEN
Managing Director

Date: 16 August 2011