



NI HSIN RESOURCES BERHAD

(Company No.: 653353-W)

(Incorporated in Malaysia under the Companies Act, 1965)

INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

30 SEPTEMBER 2013

NI HSIN RESOURCES BERHAD

(Company no. 653353-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013**

(The figures have not been audited)

	Note	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
		30.9.2013 RM'000	30.9.2012 RM'000	30.9.2013 RM'000	30.9.2012 RM'000
Revenue	A11	13,310	12,034	40,728	34,156
Cost of sales		(10,026)	(9,170)	(30,719)	(25,767)
Gross Profit		3,284	2,864	10,009	8,389
Other operating income		489	(68)	1,036	364
Operating expenses		(2,608)	(2,459)	(8,542)	(7,864)
Operating profit	A12	1,165	337	2,503	889
Interest income		3	6	20	28
Finance costs		(94)	(61)	(260)	(160)
Profit/ (Loss) before taxation		1,074	282	2,263	757
Income tax expenses	B5	(283)	(272)	(733)	(729)
Profit/ (Loss) for the period		791	10	1,530	28
Other comprehensive income / (loss), net of tax					
<u>Item that may be reclassified subsequently to profit or loss:</u>					
Foreign currency translation differences for foreign operations		(157)	(1)	(224)	80
Total comprehensive income/ (loss) for the period		634	9	1,306	108
Profit/ (Loss) attributable to:					
Owners of the Company		791	10	1,530	28
Non-controlling interests		-	-	-	-
Profit/ (Loss) for the period		791	10	1,530	28
Total comprehensive income/ (loss) attributable to:					
Owners of the Company		634	9	1,306	108
Non-controlling interests		-	-	-	-
Total comprehensive income for the period		634	9	1,306	108
Earnings/ (Loss) per share (sen)					
~ Basic	B12	0.34	0.00	0.66	0.01
~ Diluted	B12	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 2012 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 SEPTEMBER 2013**

(The figures have not been audited)

	Note	AS AT 30.9.2013 RM'000	AS AT 31.12.2012 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A8	33,521	35,108
Goodwill		5,105	5,105
		<u>38,626</u>	<u>40,213</u>
Current assets			
Inventories		21,172	19,629
Receivables, deposits and prepayments		10,189	6,682
Other current financial assets	B11	-	-
Tax recoverable		206	1,119
Cash & cash equivalent		6,712	5,600
		<u>38,279</u>	<u>33,030</u>
TOTAL ASSETS		<u>76,905</u>	<u>73,243</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		47,320	47,320
Reserves		13,225	13,074
		<u>60,545</u>	<u>60,394</u>
Total equity		<u>60,545</u>	<u>60,394</u>
Non-current liabilities			
Deferred tax liability		1,633	1,712
Borrowings	B7	70	147
		<u>1,703</u>	<u>1,859</u>
Current liabilities			
Payables and accruals		8,811	5,748
Borrowings	B7	5,497	4,898
Taxation		349	344
		<u>14,657</u>	<u>10,990</u>
Total liabilities		<u>16,360</u>	<u>12,849</u>
TOTAL EQUITY AND LIABILITIES		<u>76,905</u>	<u>73,243</u>
Net Assets per share attributable to owners of the Company (RM)		0.26	0.26

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the Interim Financial Statements.

NI HSIN RESOURCES BERHAD

(Company no. 653353-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013**

(The figures have not been audited)

	/----- Non-distributable -----/						Distributable	
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Fair value Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	Total RM'000
At 1 January 2012	47,320	1,820	(1,676)	29	202	9,206	2,553	59,454
Total comprehensive income/ (loss) for the period	-	-	-	80	-	-	28	108
At 30 September 2012	47,320	1,820	(1,676)	109	202	9,206	2,581	59,562
At 1 January 2013	47,320	1,820	(1,676)	64	202	9,206	3,458	60,394
Total comprehensive (loss)/ income for the period	-	-	-	(224)	-	-	1,530	1,306
Dividend paid	-	-	-	-	-	-	(1,155)	(1,155)
At 30 September 2013	47,320	1,820	(1,676)	(160)	202	9,206	3,833	60,545

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 2012 and the accompanying explanatory notes attached to the Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013**

(The figures have not been audited)

	9 MONTHS ENDED	
	30.9.2013	30.9.2012
	RM'000	RM'000
Cash flows from operating activities		
Profit/ (Loss) before tax	2,263	757
Adjustments:		
Depreciation on property, plant and equipment	1,953	2,147
Loss/ (gain) on disposal of property, plant and equipment	27	(121)
Write off of property, plant and equipment	2	15
Interest paid	260	160
Interest received	(20)	(28)
Net loss/ (gain) on foreign exchange	(17)	164
Net loss/ (gain) in fair value of financial instruments measured at fair value	-	-
Operating profit before changes in working capital	<u>4,468</u>	<u>3,094</u>
Changes in working capital:		
(Increase)/ decrease in operating assets	(5,065)	(4,922)
Decrease/ (increase) in operating liabilities	<u>2,838</u>	<u>1,023</u>
Cash (used in)/ generated from operations	2,241	(805)
Income taxes paid	(812)	(930)
Income taxes refunded	916	-
Interest paid	(260)	(160)
Interest received	<u>20</u>	<u>28</u>
Net cash generated from / (used in) operating activities	<u>2,105</u>	<u>(1,867)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(696)	(990)
Proceeds from disposal of property, plant and equipment	<u>300</u>	<u>168</u>
Net cash (used in)/ generated from investing activities	<u>(396)</u>	<u>(822)</u>
Cash flows from financing activities		
Net proceeds/ (repayment) of bankers' acceptances	2,154	(225)
Net (repayment)/ proceeds of hire purchase	(73)	286
Dividends paid	<u>(1,155)</u>	<u>(2,310)</u>
Net cash (used in) / generated from financing activities	<u>926</u>	<u>(2,249)</u>
Net increase / (decrease) in cash and cash equivalents	2,635	(4,938)
Effect of exchange rate fluctuations on cash held	36	(37)
Cash and cash equivalents at 1 January	<u>4,041</u>	<u>6,426</u>
Cash and cash equivalents at 30 September	<u>6,712</u>	<u>1,451</u>

Notes:

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

	RM'000	RM'000
Deposits with licensed bank	171	166
Bank and Cash balances	6,541	2,561
Bank overdraft (included within short term borrowings in Note B7)	-	(1,276)
	<u>6,712</u>	<u>1,451</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 2012 and the accompanying explanatory notes attached to the Interim Financial Statements.

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(Company no. 653353-W)

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING

A1 BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (MFRS) 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 2012. 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 2012.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31 December 2012, except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs during the current financial period:

- MFRS 10 Consolidated Financial Statements
- MFRS 11 Joint Arrangements
- MFRS 12 Disclosure of Interests in Other Entities
- MFRS 13 Fair Value Measurement
- MFRS 119 Employee Benefits (as amended by IASB in June 2011)
- MFRS 127 Separate Financial Statements (as amended by IASB in May 2011)
- MFRS 128 Investments in Associates and Joint Ventures (as amended by IASB in May 2011)
- MFRS 3 Business Combinations
- MFRS 127 Consolidated and Separate Financial Statements (IAS 27 Consolidated and Separate Financial Statements revised by IASB in December 2003)
- IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
- Government Loans (Amendments to MFRS 1)
- Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7)
- Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to MFRS 10, MFRS 11 and MFRS 12)

The adoption of the above pronouncements did not have any impact on the financial statements of the Group. IC Interpretation 20 is not applicable to the Group as it is not relevant to the Group's operations.

The following MFRSs, amendments to MFRSs and IC Interpretation have been issued by the MASB but are not yet effective to the Group:

Effective for annual periods commencing on or after 1 January 2014

- Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 132)
- Investment Entities (Amendments to MFRS 10, MFRS 12 and MFRS 127)
- Recoverable Amount Disclosures for Non-Financial Assets (Amendments to MFRS 136)
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to MFRS 139)
- IC Interpretation 21 Levies

Effective for annual periods commencing on or after 1 January 2015

- MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)
- MFRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)
- Mandatory Effective Date of MFRS 9 and Transition Disclosures (Amendments to MFRS 9 (IFRS 9 issued by IASB in November 2009), MFRS 9 (IFRS 9 issued by IASB in October 2010) and MFRS 7)

A1 BASIS OF PREPARATION (CONT.)

MFRS 9 introduces significant changes in the way the Group accounts for financial instruments. Due to the complexity of this standard and its proposed changes, the financial effects of its adoption are still being assessed by the Group.

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncement are not expected to have any effect to the financial statements of the Group upon their initial application.

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 2012.

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 CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter and financial period ended 30 September 2013.

A5 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 30 September 2013.

A6 MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates that have a material effect on the results for the current quarter ended 30 September 2013.

A7 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 ended 30 September 2013:

(a) Share Buy-backs

At the Annual General Meeting of the Company held on 22 May 2013, 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.

There was no additional share purchased during the quarter ended 30 September 2013, 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.

A8 PROPERTY, PLANT AND EQUIPMENT

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

A9 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 September 2013.

A10 DIVIDEND PAID

During the financial period ended 30 September 2013, the Company paid a final single-tier ordinary dividend of 0.5 sen per ordinary share totalling approximately RM1,155,000 in respect of the year ended 31 December 2012 on 18 July 2013.

A11 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:

RESULTS FOR 9 MONTHS ENDED 30 SEPTEMBER 2013

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30.9.2013 RM'000	30.9.2012 RM'000	30.9.2013 RM'000	30.9.2012 RM'000
<u>Segment Revenue</u>				
Revenue from:				
Cookware	7,028	7,952	25,485	22,746
Convex mirror	2,336	2,605	5,998	7,037
Clad metals	7,165	4,004	17,868	10,866
Others	263	307	771	801
Total revenue including inter-segment sales	16,792	14,868	50,122	41,450
Elimination of inter-segment sales	(3,482)	(2,834)	(9,394)	(7,294)
Total	13,310	12,034	40,728	34,156

Segment Results

Results from:				
Cookware	110	(526)	553	(906)
Convex mirror	445	787	1,003	1,657
Clad metals	635	293	1,535	920
Others	(34)	(35)	(142)	(223)
	1,156	519	2,949	1,448
Elimination of inter-segment sales	(50)	(84)	(326)	(151)
Total result	1,106	435	2,623	1,297
Unallocated corporate expenses	59	(98)	(120)	(408)
Interest income	3	6	20	28
Interest expenses	(94)	(61)	(260)	(160)
Income tax expense	(283)	(272)	(733)	(729)
Profit/ (Loss) for the period	791	10	1,530	28

A12 OPERATING PROFIT

	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
	RM'000	RM'000	RM'000	RM'000
Operating profit is arrived at after charging and crediting:				
Interest income	37	(6)	20	(28)
Other income including investment income	-	-	-	-
Rental income	(41)	(41)	(122)	(122)
Depreciation on property, plant and equipment	604	708	1,953	2,147
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Provision for and write off of property, plant and equipment	1	2	2	15
(Gain)/ loss on disposal of quoted or unquoted investments	-	-	-	-
Loss/ (gain) on disposal of property, plant and equipment	(71)	-	27	(121)
Impairment of assets	-	-	-	-
Net (gain)/ loss on foreign exchange - unrealised	69	114	(17)	164
Net gain in fair value of financial instruments measured at fair value	3	(12)	-	-
Exceptional items	-	-	-	-

A13 FINANCE COSTS

	Current Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
	RM'000	RM'000	RM'000	RM'000
Bank overdrafts	17	38	81	90
Bankers' acceptances	75	19	172	65
Finance lease liability	2	4	7	5
	<u>94</u>	<u>61</u>	<u>260</u>	<u>160</u>
	-	-	-	-

A14 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.

A15 CONTINGENT ASSETS AND LIABILITIES

Save as disclosed below, the Company is not aware of any other contingent liabilities as at 30 September 2013:

	30.9.2013
	RM'000
- Corporate guarantee given by the Company to licensed banks for credit facilities granted to subsidiaries	26,140
	<u>26,140</u>

A16 CAPITAL COMMITMENT

There were no capital commitments not provided for in the financial statements as at 30 September 2013.

A17 SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transactions which involve the directors of the Group for the financial period ended 30 September 2013 are as follows:

	Transaction value for 9 months ended 30.9.2013 RM'000	Balance outstanding as at 30.9.2013 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	(3,517)	356
Purchases	74	-
Standardworld Holding Ltd.		
Royalty fee payable	139	(684)
With a company in which the Company's directors, Hsiao Chih Jen and Hsiao Chih Chien, have substantial financial interests		
Everpro Sdn. Bhd.		
Sales	(7,782)	5,082
Purchases	130	(2)
Rental income	(122)	14
With a company in which the Company's director, Hsiao Chih Chien, has substantial financial interests		
I.D.M. Creative Development Co. Ltd.		
Sales	(309)	127
Purchases	879	1

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

B1 OPERATING SEGMENTS REVIEW

Operating Environment

For the 9 months ended 30 September 2013, the Group operated in improved economic conditions for its key markets. Japan, which is the Group's key export market, implemented aggressive monetary easing policies. Domestic demand, exports, and the government's fiscal and monetary stimulus packages helped the Japanese economy grow. The second quarter GDP growth was estimated at approximately 0.9%, translating into an annualised growth of 3.8%. The Eurozone economy remained weak and challenging during the quarter, though there were signs that the economy of the Eurozone has bottomed out. The economic conditions of the Group's other major markets such as Malaysia, Singapore, Australia, South Korea and Greater China were stable.

Quarter 3 Ended 30 September 2013 ("Q32013") vs Quarter Ended 30 September 2012 ("Q32012")

The Group recorded a revenue of RM13.31 million and Profit Before Taxation ("PBT") of RM1.07 million in Q32013. Revenue in Q32013 improved by RM1.28 million or 11% compared to the revenue of Q32012, mainly due to higher cookware and clad metal sales. Group's gross profit ("GP") margin improved in Q32013 from 23.8% to 24.7%, mainly due to higher volume of business which covered the Group's fixed overheads. Operating expenses in Q32013 increased compared to Q32012 mainly due to increase in staff costs, advertisement and marketing expenses. In tandem with improved revenue, Profit After Taxation ("PAT") for Q32013 improved by RM0.78 million to RM0.79 million compared to Q32012.

The Group's revenue for the 9 months period ended 30 Sept 2013 ("9M2013") improved by RM6.57 million or 19% to RM40.73 million. The revenue increase was attributed to higher volume of sales achieved by the Cookware and Clad Metal Divisions. Convex Mirror revenue declined during the 9 months period. Group's GP margin remained stable during the 9M2013 at 24.6% similar to the GP margin achieved in the corresponding period last year. As a result of the improvement in revenue, PBT increased to RM2.26 million for 9M2013, which is an increase of RM1.51 million or 199% compared to the corresponding period last year. As a result, Group's PAT improved to RM1.53 million for 9M2013.

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

(i) Cookware Division

The Cookware Division's revenue for the period improved by RM2.54 million or 11% compared to the previous year's corresponding period, to RM25.16 million. Cookware sales improved due to higher exports to Japan, Taiwan, North America, Thailand and Australia. Local sales also improved significantly by RM1.27 million. The cookware revenue by geographical market for the period is as follows:-

	9 MONTHS ENDED		Increase/ (Decrease)	%
	30.9.2013	30.9.2012		
	RM'000	RM'000	RM'000	
Japan	7,097	6,953	144	2.1%
China & Hong Kong	954	1,351	(397)	-29.4%
Taiwan	3,772	3,524	248	7.0%
Singapore	714	789	(75)	-9.5%
Europe	190	207	(17)	-8.2%
USA & Canada	1,443	1,209	234	19.4%
Malaysia	8,669	7,402	1,267	17.1%
Australia	1,716	975	741	76.0%
Thailand	368	204	164	80.4%
Indonesia	65	-	65	100.0%
Philippines	174	10	164	1640.0%
Others	-	-	-	0.0%
	<u>25,162</u>	<u>22,624</u>	<u>2,538</u>	11.2%

(ii) Convex Mirror Division

The Convex Mirror Division achieved a revenue of RM5.36 million for 9M2013, which is a decline of RM0.92 million compared to the revenue of RM6.28 million achieved in the previous corresponding period.

Stainless steel convex mirrors sales had mixed results. The Group had lower local, Thailand and Japanese market sales but achieved improvement in export sales to Europe and South Korea.

B1 OPERATING SEGMENTS REVIEW (CONT.)

Performance Review (Cont.)

(iii) Clad Metal Division

Clad Metal Division's revenue improved in the period by RM4.98 million or 112%. Clad Metal sales improved due to customers in Europe and Indonesia increasing orders for clad metals. Clad Metal division was however affected by decline in orders from Thailand and Japan. The Group achieved significantly higher revenue mainly due to the Group securing European customers for its clad metals.

The Group's statement of financial position as at 30 September 2013 remained healthy with net assets per share of RM0.26. The Group's non-current assets amounted to RM38.6 million as there were no material capital expenditure incurred in Q32013. Within the current assets, inventory increased slightly to RM21.2 million as at 30 September 2013. Trade and other receivables increased to RM10.2 million due to increase in Trade Receivables in line with the increase in Group's revenue. The Group's net current assets was RM23.6 million as at 30 September 2013.

The Group's net operating cash flow for the period ended 30 September 2013 was a surplus of RM2.1 million. The net cash outflow from investing activities was RM0.39 million mainly due to purchases of property, plant and equipment. Net cash from financing activities was an inflow of RM0.93 million due to a drawdown of bankers acceptances for working capital offset by dividend payments to shareholders. The net resultant impact to Group's cash flow was an increase in cash of RM2.64 million during the period. Net cash and cash equivalents amounted to RM6.71 million as at 30 September 2013.

B2 COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	3 months ended 30.9.2013	3 months ended 30.6.2013
	RM'000	RM'000
Revenue	13,310	12,780
Profit before taxation ("PBT")	1,074	849
Profit for the period	791	612

The Group's revenue and PBT improved in Q32013 mainly due higher cookware and clad metal sales as explained in B1.

B3 COMMENTARY ON PROSPECT

The current financial year will continue to be a challenging period for the premium cookware business. The Japanese government has implemented aggressive monetary policies, causing the Japanese yen to decline. The decline in Japanese yen has a direct impact on imported goods, which in turn will affect the Group's exports to Japan in the short term. The management hopes that with the economic stimulus and improving consumer spending, the effects of the weaker yen may be offset by improved demand for consumer goods. Though the Eurozone economy still face uncertainties due to the ongoing debt crisis, high unemployment rates and reduced fiscal spending, economists expect the Eurozone economy to bottom out this year.

For financial year 2013, the Group will place more focus in improving the cookware sales for the Group's in-house brand Buffalo and developing the Asian and European markets for premium cookware under "Buffalo" brand as there are still many countries that the Group has not exported to. The management intends to increase the distributor base of its in-house cookware brand to reduce the reliance on the OEM and ODM markets. For the current financial year, the Group will focus on a range of commercial cookware ranging from frying pans to pressure cookers. The commercial cookware, under a new brand "Kit-Zen", will be marketed to restaurants and hotels, where high quality cookware is required for their business operations. The Group has also successfully developed pressure cookers with a capacity of 30 litres to be used for commercial restaurants. In January 2013, the Group had actively participated as a sponsor for the Audi Chef's Cup Sudtiroil 2013, a prestigious cookware event in Italy, which attracted 68 chefs, including Michelin starred Chefs (for a total of 33 stars), Jeunes Restaurateurs d'Europe and emerging talents in the food and beverage industry. The response to the commercial series of cookware was encouraging and the Group will actively market the commercial cookware series when it is commercialised in the second quarter of this year.

B3 COMMENTARY ON PROSPECT (CONT.)

The Group will also focus in improving convex mirror sales in Europe, South Korea and Japan. The Group will expand its distribution network in Europe as the European market is still a greenfield market for stainless steel convex mirrors to the Group. The Group has also successfully grew its clad metal sales to European premium cookware manufacturers for the manufacture of premium multi-ply stainless steel cookware. As clad metals are the key raw material for multi-ply stainless steel cookware, the Group aims to secure recurring orders from European customers.

Notwithstanding the challenging operating environment in 2013, the management expects the Group's revenue to improve 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 non-controlling interest and forecast profit after tax and non-controlling interest and for the shortfall in profit guarantee are not applicable.

B5 TAXATION

	Current Quarter 3 months ended 30.9.2013 RM'000	Cumulative Quarter 9 months ended 30.9.2013 RM'000
In respect of the current period		
- Malaysian tax	295	836
- Deferred tax	<u>(11)</u>	<u>(80)</u>
	284	756
In respect of the prior year		
- Malaysian tax	<u>(1)</u>	<u>(23)</u>
	<u>283</u>	<u>733</u>

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the year.

The effective tax rate of the Group is higher than the statutory tax rate mainly due to the losses of a subsidiary which cannot be set off against taxable profit made by other subsidiaries, 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 ("Bursa Securities") directive dated 25 March 2010 is as follows:

	As at 30.9.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits of the Group:		
Realised	39,091	38,510
Unrealised	<u>(1,817)</u>	<u>(1,856)</u>
	37,274	36,654
Less: Consolidation adjustments	<u>(33,441)</u>	<u>(33,196)</u>
Total Group retained profits as per consolidated accounts	<u>3,833</u>	<u>3,458</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 Securities Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

B7 GROUP BORROWINGS

Save as disclosed below, there were no other borrowings or debt securities in the Group as at 30 September 2013:

	As at 30.9.2013 RM'000	As at 31.12.2012 RM'000
Non-current:		
Finance lease liability	70	147
Current:		
Bank overdraft	-	1,559
Bankers' acceptance	5,395	3,241
Finance lease liability	102	98
	<u>5,497</u>	<u>4,898</u>
	<u>5,567</u>	<u>5,045</u>

All borrowings are denominated in Malaysia Ringgit.

B8 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

As at 30 September 2013, the Group does not have any financial liabilities measured at fair value through profit or loss.

B9 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.

B10 STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced that have not been completed at the date of this announcement.

B11 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 September 2013, the Group does not have any outstanding derivative financial instruments.

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

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

B12 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	9 months ended	9 months ended
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
Basic EPS				
Profit/ (loss) attributable to owners of the Company (RM '000)	791	10	1,530	28
Weighted average no. of ordinary shares in issue ('000)	230,958	230,958	230,958	230,958
Basic EPS (sen)	0.34	0.00	0.66	0.01

(b) Diluted

Diluted EPS is not applicable to the Company.

B13 PROPOSED DIVIDENDS

No interim dividend has been recommended for the current quarter.

B14 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 November 2013.

By order of the Board of Directors
NI HSIN RESOURCES BERHAD

HSIAO CHIH JEN
Chairman

Date: 18 November 2013