



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 2015

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 2015**

(The figures have not been audited)

	Note	CURRENT QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
		30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Revenue	A11	12,016	10,246	36,096	30,139
Cost of sales		(9,016)	(7,717)	(26,924)	(22,416)
Gross Profit		3,000	2,529	9,172	7,723
Other operating income		1,510	198	2,400	809
Operating expenses		(2,684)	(2,665)	(8,966)	(8,420)
Operating profit/ (loss)	A12	1,826	62	2,606	112
Interest income		2	1	6	5
Finance costs		(24)	(62)	(69)	(165)
Profit/ (Loss) before taxation		1,804	1	2,543	(48)
Income tax expenses	B5	(263)	(160)	(473)	(503)
Profit/ (Loss) for the period		1,541	(159)	2,070	(551)
Other comprehensive income / (loss), net of tax					
<u>Item that may be subsequently reclassified to profit or loss:</u>					
Foreign currency translation differences for foreign operations		(22)	(71)	(63)	70
Total comprehensive income/ (loss) for the period		1,519	(230)	2,007	(481)
Profit/ (Loss) attributable to:					
Owners of the Company		1,541	(159)	2,070	(551)
Non-controlling interests		-	-	-	-
Profit/ (Loss) for the period		1,541	(159)	2,070	(551)
Total comprehensive income/ (loss) attributable to:					
Owners of the Company		1,519	(230)	2,007	(481)
Non-controlling interests		-	-	-	-
Total comprehensive income for the period		1,519	(230)	2,007	(481)
Earnings/ (Loss) per share (sen)					
~ Basic	B12	0.67	(0.07)	0.90	(0.24)
~ 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 2014 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 2015**

(The figures have not been audited)

	Note	AS AT 30.09.2015 RM'000	AS AT 31.12.2014 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A8	31,747	32,536
Investment property		1,259	-
Goodwill		5,105	5,105
		<u>38,111</u>	<u>37,641</u>
Current assets			
Inventories		19,305	21,216
Receivables, deposits and prepayments		5,168	4,900
Other current financial assets	B11	-	-
Tax recoverable		682	557
Cash and cash equivalent		8,984	5,851
		<u>34,139</u>	<u>32,524</u>
TOTAL ASSETS		<u>72,250</u>	<u>70,165</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		47,320	47,320
Reserves		13,954	11,941
		<u>61,274</u>	<u>59,261</u>
Total equity		<u>61,274</u>	<u>59,261</u>
Non-current liabilities			
Deferred tax liability		1,918	1,967
Borrowings	B7	109	171
		<u>2,027</u>	<u>2,138</u>
Current liabilities			
Payables and accruals		7,231	6,352
Borrowings	B7	1,718	2,414
Taxation		-	-
		<u>8,949</u>	<u>8,766</u>
Total liabilities		<u>10,976</u>	<u>10,904</u>
TOTAL EQUITY AND LIABILITIES		<u>72,250</u>	<u>70,165</u>
		-	-
Net Assets per share attributable to owners of the Company (RM)		0.27	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 2014 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 2015**

(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 2014	47,320	1,820	(1,676)	(223)	202	9,206	3,427	60,076
Total comprehensive income/ (loss) for the period	-	-	-	70	-	-	(551)	(481)
Dividend paid	-	-	-	-	-	-	-	-
At 30 September 2014	47,320	1,820	(1,676)	(153)	202	9,206	2,876	59,595
At 1 January 2015	47,320	1,820	(1,676)	60	202	9,206	2,329	59,261
Total comprehensive (loss)/ income for the period	-	-	-	(63)	-	-	2,070	2,007
Own shares acquired	-	-	(236)	-	-	-	-	(236)
Own shares sold	-	-	288	-	-	-	(46)	242
Dividend paid	-	-	-	-	-	-	-	-
At 30 September 2015	47,320	1,820	(1,624)	(3)	202	9,206	4,353	61,274

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 2014 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2015**

(The figures have not been audited)

	9 MONTHS ENDED	
	30.09.2015	30.09.2014
	RM'000	RM'000
Cash flows from operating activities		
Profit/ (Loss) before tax	2,543	(48)
Adjustments:		
Depreciation on property, plant and equipment	1,950	1,975
Loss/ (gain) on disposal of property, plant and equipment	(32)	(45)
Write off of property, plant and equipment	31	1
Write-down of inventories	-	-
Interest paid	69	165
Interest received	(6)	(5)
Net loss/ (gain) on foreign exchange	(251)	92
Net loss/ (gain) in fair value of financial instruments measured at fair value	-	-
Operating profit before changes in working capital	<u>4,304</u>	<u>2,135</u>
Changes in working capital:		
(Increase)/ decrease in operating assets	1,580	298
Decrease/ (increase) in operating liabilities	(137)	(2,004)
Cash (used in)/ generated from operations	<u>5,747</u>	<u>429</u>
Income taxes paid	(723)	(887)
Income taxes refunded	76	-
Interest paid	(69)	(165)
Interest received	6	5
Net cash (used in) / generated from operating activities	<u>5,037</u>	<u>(618)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,257)	(504)
Purchase of investment property	(278)	-
Proceeds from disposal of property, plant and equipment	97	50
Net cash (used in)/ generated from investing activities	<u>(1,438)</u>	<u>(454)</u>
Cash flows from financing activities		
Net proceeds/ (repayment) of bankers' acceptances	(396)	(334)
Net repayment of hire purchase	(59)	(77)
Net proceeds from sale of treasury shares	6	-
Dividends paid	-	-
Net cash (used in) / generated from financing activities	<u>(449)</u>	<u>(411)</u>
Net increase / (decrease) in cash and cash equivalents	3,150	(1,483)
Effect of exchange rate fluctuations on cash held	286	(18)
Cash and cash equivalents at 1 January	<u>5,516</u>	<u>7,579</u>
Cash and cash equivalents at 30 September	<u>8,952</u>	<u>6,078</u>

Notes:

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

	RM'000	RM'000
Deposits with licensed bank	182	176
Bank and Cash balances	8,802	6,143
Bank overdraft (included within short term borrowings in Note B7)	(32)	(241)
	<u>8,952</u>	<u>6,078</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 2014 and the accompanying explanatory notes attached to the Interim Financial Statements.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2015

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

A1 BASIS OF PREPARATION

The condensed consolidated 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 condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014. 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 2014.

The significant accounting policies and methods of computation applied in the unaudited condensed consolidated interim financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31 December 2014, except for the adoption of Amendments to Standards and Issue Committee (IC) interpretations effective as of 1 January 2015.

Adoption of Amendments to Standards and IC Interpretations

The Group has adopted the following Amendments to Standards and IC Interpretations, with a date of initial application of 1 January 2015.

Amendments to MFRS 119, *Employee Benefits - Defined Benefit Plans: Employee Contributions*

Annual Improvements to MFRSs 2010 - 2012 Cycle

Annual Improvements to MFRSs 2011 - 2013 Cycle

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

Standards issued but not yet effective

At the date of authorisation of the condensed consolidated interim financial statements, the following Standards, Amendments and Annual improvements to Standards were issued by the MASB but are not yet effective and have not been adopted by the Group:

Effective for financial periods beginning on or after 1 January 2016

MFRS 14, *Regulatory Deferral Accounts*

Amendments to MFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations*

Amendments to MFRS 101, *Presentation of Financial Statements - Disclosure Initiative*

Amendments to MFRS 127, *Consolidated and Separate Financial Statements - Equity Method in Separate Financial Statements*

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

Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation*

Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture - Bearer Plants*

Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception*

Annual Improvements to MFRSs 2012 - 2014 Cycle

Effective for financial periods beginning on or after 1 January 2018

MFRS 15, *Revenue from Contracts with Customers*

MFRS 9, *Financial Instruments* (IFRS 9 as issued by International Accounting Standards Board ("IASB") in July 2014)

A1 BASIS OF PREPARATION (CONT.)

Standards issued but not yet effective (Cont.)

The Group will adopt the above pronouncements when they become effective in the respective financial periods. The Group does not expect any material impact to the financial statements on the above pronouncements other than for the two Standards described below, for which the effects are still being assessed:

(a) MFRS 15 Revenue from Contracts with Customers

MFRS 15 Revenue from Contracts with Customers was issued in September 2014 and established a new five-step model which will apply to recognition of revenue arising from contracts with customers. Under this Standard, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principle of this Standard is to provide a more structured approach to measuring and recognising revenue.

This Standard is applicable to all entities and will supersede all current revenue recognition requirements under MFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

(b) MFRS 9 Financial Instruments

In November 2014, the MASB issued the final version of MFRS 9 Financial Instruments, replacing MFRS 139. This Standard made changes to the requirements for classification and measurement, impairment, and hedge accounting of financial instruments. The adoption of this Standard will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

MFRS 9 Financial Instruments also requires impairment assessments to be based on an expected loss model, replacing the MFRS 139 incurred loss model. Finally, MFRS 9 Financial Instruments aligns hedge accounting more closely with risk management, establishes a more principle-based approach to hedge accounting and addresses inconsistencies and weaknesses in the previous model.

This Standard will come into effect on or after 1 January 2018 with early adoption permitted. Retrospective application is required, but comparative information is not compulsory.

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 2014.

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 2015.

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 and financial period ended 30 September 2015.

A6 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 September 2015.

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 2015:

(a) Share Buy-backs

At the Annual General Meeting of the Company held on 21 May 2015, 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 were no issuance, repurchase, cancellation, resale, and repayment of debt and equity securities of the Company from the last financial year ended 31 December 2014 to current quarter under review, except for the following:-

- (a) On 26 August 2015, the Company repurchased 1,000,000 ordinary shares of RM0.20 each at an average price of RM0.235 per ordinary share; and
- (b) On 17 September 2015, the Company resale 1,000,000 ordinary shares of RM0.20 each at an average price of RM0.2425 per ordinary share.

Subsequent to the quarter ended 30 September 2015 and up to the date of this announcement:-

- (a) On 2 October 2015, the Company repurchased 22,900 ordinary shares of RM0.20 each at an average price of RM0.245 per ordinary share.
- (b) On 6 October 2015, the Company repurchased 62,300 ordinary shares of RM0.20 each at an average price of RM0.255 per ordinary share.
- (c) On 12 October 2015, the Company repurchased 40,000 ordinary shares of RM0.20 each at an average price of RM0.260 per ordinary share.
- (d) On 13 October 2015, the Company repurchased 25,500 ordinary shares of RM0.20 each at an average price of RM0.260 per ordinary share.
- (e) On 16 October 2015, the Company repurchased 500,000 ordinary shares of RM0.20 each at an average price of RM0.270 per ordinary share.
- (f) On 19 October 2015, the Company repurchased 387,000 ordinary shares of RM0.20 each at an average price of RM0.270 per ordinary share.
- (g) On 20 October 2015, the Company repurchased 761,400 ordinary shares of RM0.20 each at an average price of RM0.270 per ordinary share.
- (h) On 21 October 2015, the Company repurchased 500,000 ordinary shares of RM0.20 each at an average price of RM0.270 per ordinary share.
- (i) On 27 October 2015, the Company repurchased 500,000 ordinary shares of RM0.20 each at an average price of RM0.275 per ordinary share.
- (j) On 11 November 2015, the Company repurchased 85,000 ordinary shares of RM0.20 each at an average price of RM0.325 per ordinary share.

As at 30 September 2015, 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 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 2015.

A10 DIVIDEND PAID

No dividend was paid during the current quarter ended 30 September 2015.

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 2015

	Current Quarter		Cumulative Quarter	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
Revenue from:				
Cookware	6,790	5,212	20,441	15,447
Convex mirror	2,456	2,666	7,067	7,574
Clad metals	5,728	5,013	18,162	14,192
Others	-	130	-	589
Total revenue including inter-segment sales	14,974	13,021	45,670	37,802
Elimination of inter-segment sales	(2,958)	(2,775)	(9,574)	(7,663)
Total	12,016	10,246	36,096	30,139
	-	-	-	-
Results from:				
Cookware	808	(337)	1,733	(614)
Convex mirror	822	538	1,801	1,388
Clad metals	585	(49)	566	(6)
Others	-	(90)	(9)	(271)
	2,215	62	4,091	497
Elimination of inter-segment results	(48)	11	(201)	(38)
Total result	2,167	73	3,890	459
Unallocated corporate expenses	(341)	(11)	(1,284)	(347)
Interest income	2	1	6	5
Interest expenses	(24)	(62)	(69)	(165)
Income tax expense	(263)	(160)	(473)	(503)
Profit/ (Loss) for the period	1,541	(159)	2,070	(551)
	-	-	-	-

A12 OPERATING PROFIT

	Current Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Operating profit is arrived at after charging and crediting:				
Interest income	(2)	(1)	(6)	(5)
Other income including investment income	-	-	-	-
Rental income	(41)	(41)	(122)	(122)
Depreciation on property, plant and equipment	740	653	1,950	1,975
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Provision for and write off of property, plant and equipment	30	-	31	1
(Gain)/ loss on disposal of quoted or unquoted investments	-	-	-	-
Loss/ (gain) on disposal of property, plant and equipment	(12)	-	(32)	(45)
Impairment of assets	-	-	-	-
Net (gain)/ loss on foreign exchange - unrealised	(402)	(153)	(251)	92
Net gain in fair value of financial instruments measured at fair value	-	-	-	-
Exceptional items	-	-	-	-

A13 FINANCE COSTS

	Current Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Bank overdrafts	3	9	6	54
Bankers' acceptances	19	53	55	107
Finance lease liability	2	-	8	4
	24	62	69	165
	-	-	-	-

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 year 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 2015:

	30.09.2015
	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

Capital commitments not provided for in the financial statements as at 30 September 2015 are as follows:

	30.09.2015
	RM'000
Approved and contracted for	
- Plant & Equipment	<u>562</u>

A17 SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transactions which involve the former directors of the Group for the financial period ended 30 September 2015 are as follows:

	Transaction value for 9 months ended 30.09.2015	Balance outstanding as at 30.09.2015
	RM'000	RM'000
With a company in which the Company's former directors, Hsiao Chih Jen, Hsiao Chih Chien and Hsiao Chih Che, have substantial financial interests		
Sun New Stainless Steel Industry Ltd.		
Sales	(4,113)	189
Purchases	410	(30)
Ni Hsin International Trade (Shanghai) Co. Ltd.		
Sales	(108)	-
Purchases	134	-
Standardworld Holding Ltd.		
Royalty fee payable	164	(164)
With a company in which the Company's former directors, Hsiao Chih Jen and Hsiao Chih Chien, have substantial financial interests		
Everpro Sdn. Bhd.		
Sales	(1,405)	792
Purchases	(34)	-
Rental income	(122)	14
With a company in which the Company's former director, Hsiao Chih Chien, has substantial financial interests		
I.D.M. Creative Development Co. Ltd.		
Sales	(280)	137
Purchases	642	(101)

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 2015, the global environment remains challenging with the recovery in high-income economies being gradual and global trade growing at its slowest pace since 2009 (Source: World Bank East Asia and Pacific Economic Update October 2015). The economy of the Group's key market, Japan, was weaker during the third quarter as compared to second quarter, due to sluggish private consumption and a slowdown in emerging economies including China. European industries continues to be weak during this quarter even though conditions for production are favorable and economists predict a modest growth. For the local market, consumer spending is expected to soften due to the implementation of Goods and Services Tax ("GST") since April 2015.

Consistent with the challenging external backdrop, the ringgit depreciated by 20.6 percent against the US dollar in 2015 through August. This weakening of the currency has helped cushion the Group's export sales which are mainly dominated in US dollars.

Quarter Ended 30 September 2015 ("Q3 2015") vs Quarter Ended 30 September 2014 ("Q3 2014")

Group's revenue and Profit Before Taxation ("PBT") were approximately RM12.02 million and RM1.80 million respectively for Q3 2015. Revenue in Q3 2015 improved by RM1.77 million or 17.3% compared with the revenue in Q3 2014, mainly due to an increase in sales of cookware and clad metal. The Group's gross profit ("GP") margin for Q3 2015 improved marginally to 24.9%, compared with GP margin of 24.7% achieved in Q3 2014 mainly due to increase in sales of cookware. Other operating income in Q3 2015 increased by RM1.31 million, mainly related to realised foreign exchange gain. Operating expenses in Q3 2015 remained consistent compared with Q3 2014. The Group achieved a PBT of RM1.80 million in Q3 2015 compared with a PBT of RM0.001 million in Q3 2014, mainly due to realised foreign exchange gain achieved in Q3 2015. Consequently, the Group achieved a Profit After Taxation ("PAT") of RM1.54 million for Q3 2015, compared with a Loss After Taxation ("LAT") of RM0.16 million for Q3 2014.

9 Months Period Ended 30 September 2015 ("9M2015") vs 9 Months Period Ended 30 September 2014 ("9M2014")

Group's revenue and PBT were approximately RM36.10 million and RM2.54 million respectively for 9M2015. Revenue in 9M2015 improved by RM5.96 million or 19.8% compared with the revenue in 9M2014. The Group's GP margin for 9M2015 declined marginally to 25.4%, compared with GP margin of 25.6% achieved in 9M2014. Operating expenses in 9M2015 increased by RM0.55 million, or 6.5% compared with 9M2014 mainly due to increase in Group's normal operating expenditures. The Group achieved a PBT of RM2.54 million in 9M2015 compared with a Loss Before Taxation of RM0.048 million in 9M2014, mainly due to the higher revenue achieved in the period. Consequently, the Group achieved a PAT of RM2.07 million for 9M2015, compared with a Loss After Taxation of RM0.55 million for 9M2014.

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

(i) Cookware Division

The Cookware Division's revenue for 9M2015 increased by RM4.99 million or 32.4% to RM20.43 million compared with the revenue achieved in 9M2014 of RM15.44 million, as sales to the Group's key export markets improved during 2015. The Group experienced an improvement in sales of premium cookware to Japan which is the Group's major export market. Sales to the USA and Canada, and the Asian Pacific (excluding Japan) countries also improved in 9M2015. The cookware revenue by geographical market for 9M2015 is as follows:

	9 MONTHS ENDED		Increase/ (Decrease)	%
	30.09.2015	30.09.2014		
	RM'000	RM'000	RM'000	
Japan	7,336	4,724	2,612	55.3%
Asia Pacific (exclude Japan)	11,069	9,631	1,438	14.9%
USA & Canada	1,473	701	772	110.1%
Europe	560	384	176	45.8%
	<u>20,438</u>	<u>15,440</u>	<u>4,998</u>	<u>32.4%</u>

B1 OPERATING SEGMENTS REVIEW (CONT.)

9 Months Period Ended 30 September 2015 ("9M2015") vs 9 Months Period Ended 30 September 2014 ("9M2014") (Cont.)

(ii) Convex Mirror Division

The Convex Mirror Division achieved a revenue of RM6.24 million for 9M2015, a decline of RM0.42 million compared with the revenue of RM6.66 million achieved in 9M2014. The revenue declined mainly due to lower export sales to Europe and other Asian Pacific countries, but was partially offset by an increase in sales to Taiwan and South Korea.

(iii) Clad Metal Division

Clad Metal Division's revenue improved in 9M2015 by RM1.97 million to RM9.42 million compared with the revenue achieved in 9M2014 of RM7.45 million. Sales of clad metal improved in 9M2015 mainly due to increased orders from customers in Europe, Taiwan and Japan, and partially offset by reduced orders from customers in Thailand and Indonesia.

The Group's net assets per share as at 30 September 2015 slightly increased to RM0.27. The Group's non-current assets increased to RM38.1 million compared with the non-current assets of RM37.6 million as at 31 December 2014 due to acquisition of an investment property of RM1.26 million. Inventory decreased to RM19.3 million as at 30 September 2015 mainly due to sales of existing inventory. Receivables, deposits and prepayments increased marginally by RM0.27 million to RM5.17 million. The Group's net current assets was RM25.19 million as at 30 September 2015. The Group is in net cash position as at 30 September 2015 with a cash and cash equivalent of RM7.16 million after deducting all borrowings of the Group.

The Group's net operating cash flow for 9M2015 was an inflow of RM5.04 million. The net cash outflow from investing activities was RM1.44 million mainly due to purchases of property, plant and equipment. Net cash outflow from financing activities was RM0.45 million mainly due to repayment of bankers' acceptances for working capital. The net resultant impact to the Group's cash flow was an increase in cash of RM3.15 million during 9M2015. Net cash and cash equivalents amounted to RM8.95 million as at 30 September 2015.

B2 COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	3 months ended 30.09.2015	3 months ended 30.06.2015
	RM'000	RM'000
Revenue	12,016	12,871
Profit before taxation ("PBT")	1,804	514
Profit for the period	1,541	371

The Group experienced a lower revenue in Q3 2015 compared with Q2 2015 mainly due to decline in cookware and clad metal sales during the quarter. In spite of the lower revenue, the Group achieved a higher PBT of RM1.1 million in Q3 2015 due to realised foreign exchange gain.

B3 COMMENTARY ON PROSPECT

Barring unforeseen circumstances, the Directors expect the Group will operate in a challenging economic and business environment in its key markets in 2015, due to the slowdown in global economic growth and a weaker consumption expected for Malaysia affected by the impact of GST.

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 30.09.2015 RM'000	Cumulative Quarter 9 months ended 30.09.2015 RM'000
In respect of the current period		
- Malaysian tax	275	677
- Deferred tax	<u>(12)</u>	<u>(204)</u>
	263	473
In respect of the prior year		
- Malaysian tax	<u>-</u>	<u>-</u>
	<u>263</u>	<u>473</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 30.09.2015 RM'000	As at 31.12.2014 RM'000
Total retained profits of the Group:		
Realised	39,888	37,690
Unrealised	<u>(2,206)</u>	<u>(2,230)</u>
	37,682	35,460
Less: Consolidation adjustments	<u>(33,283)</u>	<u>(33,131)</u>
Total Group retained profits as per consolidated accounts	<u>4,399</u>	<u>2,329</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 2015:

	As at 30.09.2015 RM'000	As at 31.12.2014 RM'000
Non-current:		
Finance lease liability	<u>109</u>	<u>171</u>
Current:		
Bank overdraft	32	335
Bankers' acceptance	1,604	1,956
Finance lease liability	<u>82</u>	<u>123</u>
	<u>1,718</u>	<u>2,414</u>
	<u>1,827</u>	<u>2,585</u>

All borrowings are denominated in Malaysia Ringgit.

B8 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

As at 30 September 2015, 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 2015, 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	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Basic EPS				
Profit/ (loss) attributable to owners of the Company (RM '000)	1,541	(159)	2,070	(551)
Weighted average no. of ordinary shares in issue ('000)	230,958	230,958	230,958	230,958
Basic EPS (sen)	0.67	(0.07)	0.90	(0.24)

(b) Diluted

Diluted EPS is not applicable to the Company.

B13 DIVIDEND

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 2015.

By order of the Board of Directors
NI HSIN RESOURCES BERHAD

MD NAZIR BIN MD KASSIM
Chairman

Date: 18 November 2015