Financial Year End	31/12/2010
Report Period Ending	31/12/2010

Recommendation	**BUY**
Target Price (MYR)	0.27
Current Price (MYR)	0.16

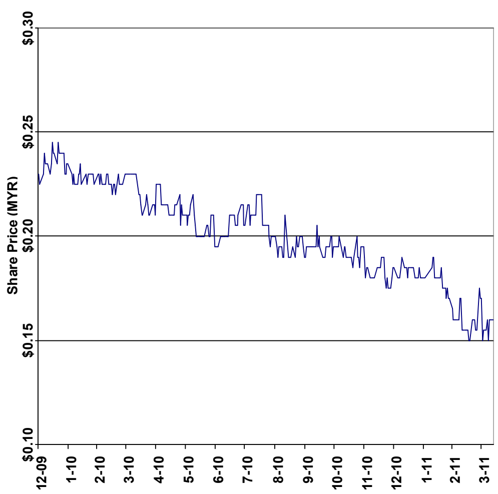
Industry Group	Housewares
Industry Sub Group	Housewares

Key Company Statistics	
Bloomberg Ticker	NHR MK
Bursa Stock Code	7215
Issued Share Capital (mn)	236.6
Market Capitalisation (MYR mn)	37.9
52 week High (MYR)	0.25
52 week Low (MYR)	0.15
Average Volume (3 month) '000	249.3
1 Yr Return (%)	-28.7

Major Shareholders (%)	
Hsiao Tsai Sheng	11.5
Hsiao Liu Lee	11.5
Hsiao Chih Chien	11.5

REPORT INDEX

SHARE PRICE LAST 12 MONTHS (MYR)



MALAYSIA EQUITY
NI HSIN RESOURCES BHD

INITIATION REPORT

Ni Hsin Resources Bhd is one of the leading cookware manufacturers listed in Malaysia. The company has its roots in Taiwan, and its main subsidiary Ni Hsin Corporation Sdn Bhd was incorporated in Malaysia in 1989 and listed in 2005. About 20% of total revenue is realised in Malaysia, with Japan, Taiwan, Singapore, and South Korea accounting for the lion's share of the company's substantial export revenue. Over half of the firm's revenue consists of cookware products.

INVESTMENT RISKS

Risks to our recommendation and target price include: i) increases in the MYR exchange rate, ii) rising promotional costs, and iii) a sharp slowdown in the general level of economic activity in the economies of the company's trading partners, e.g. Japan, Taiwan, Singapore and South Korea. Gross margins have held up particularly well considering the rising cost of metals; continued rises in stainless steel prices would be an additional concern.

RECOMMENDATION

Ni Hsin Resources Bhd is facing a number of challenges, however the current share price has discounted many of the headwinds. In addition, management has put in place a number of initiatives that are likely to result in improved sales and higher factory utilisation. We rate the shares a BUY with a fair value of MYR 0.27.

The company's up to date manufacturing assets alone are worth some MYR 0.15 per share. Thus there is not a great deal of downside for the shares at current levels. The balance sheet is very clean, and management was able to operate two out of three of its lines profitably during the past year under some very difficult trading conditions. Moreover, should stainless steel prices come off, or capacity utilisation increase in the quarters ahead, net margins would likely double or triple from their current levels.

FTSE-BURSA INDEX MEMBERSHIP

FBM KLCI	FBM 70	FBM EMAS	FBM HIJRAH
No	No	No	No

ANNUAL RESULTS AND METRICS (MYR mn)

FY Dec	2009	2010	2011F	2012F
Revenue	47.3	36.0	41.5	44.0
Revenue g (%)	-16.2	-24.0	15.3	6.1
Net Profit	5.1	-0.3	4.0	4.2
Net Profit g (%)	-17.6	na	na	6.2
Dividends	3.6	1.2	1.2	1.2
Equity	59.0	57.4	60.2	63.3
Total Liabilities	9.8	7.9	8.0	8.1
Debt/Equity (%)	16.7	13.7	13.2	12.7
EPS (sen)	2.2	-0.1	1.7	1.8
P-S (x)	1.2	1.1	0.9	0.9
P-E (x)	10.6	na	9.6	9.0
P-BV (x)	0.9	0.7	0.6	0.6
ROE %	8.7	-0.6	6.6	6.6

COMPANY PROFILE

Ni Hsin Resources Berhad (NHR") began operation in 1957 as a family owned business manufacturing stainless steel cookware in Taiwan. It was later incorporated in Malaysia in 1989 to take over the family's business in Taiwan. NHR was subsequently listed on the Second Board of Bursa Malaysia in 2005.

NHR has three 100% owned subsidiaries - (i) Ni Hsin Corporation which designs and manufactures high-end cookware and kitchenware; (ii) Ever-Grow Advanced Materials which is principally engaged in research, development and manufacturing of clad metals and stainless steel convex mirrors; and (iii) Steel Crafts Europa, a company incorporated in Italy having its principal activities in trading and assembly of kitchenware, cookware, clad metals and stainless steel convex mirrors.

The cookware division is the main revenue generator for NHR with Japan forming the largest market. Having built its ODM/OEM business since 2002, NHR is now focusing on developing its in house Buffalo brand. NHR’s local distributor Everpro Sdn Bhd has opened nine "Buffalo" concept stores. NHR has also opened a fine dining kitchen to increase its brand recognition.

One of the major benefits of Ni Hsin’s cookware is the even and rapid application of heat. Not only does the stainless steel in the Ni Hsin’s cookware avoid burning and wastage in comparision with cheaper materials, stainless steel cookware has none of the harmful health effects which results from the deterioration of cheaper metals. When sub-standard cookware ages, metal chips, usually aluminium, find their way into the food that is being cooked.

Finally, the purchase of premium cookware such as Ni Hsin’s actually saves consumers money as the Ni Hsian’s cookware lasts two to three times longer than lower quality cookware.

BOARD OF DIRECTORS, MANAGEMENT

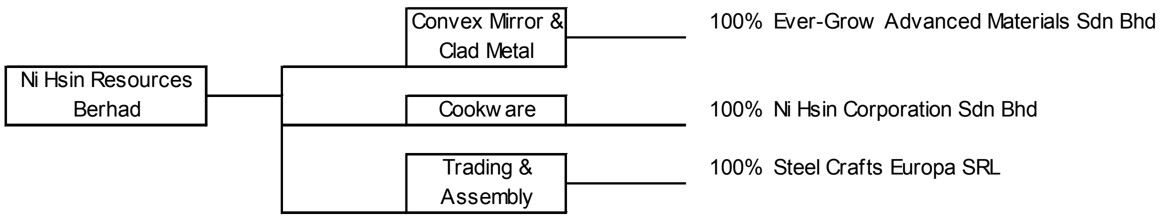
BOARD OF DIRECTORS

Hsiao Chih Jen	Chairman/Managing Director
Hsiao Chih Chien	Executive Director
Hsiao Chih Che	Executive Director
Hsiao Tung Min	Executive Director
Ng Shw u Ching	Executive Director
Dato’ Wong Pui Lam	Independent Non-Executive Director
Chong Yew Kiang	Independent Non-Executive Director
Anita Chew Cheng Im	Independent Non Executive Director

MANAGEMENT

Hsiao Chih Jen	Chairman/Managing Director
Hsiao Chih Chien	Executive Director
Hsiao Chih Che	Executive Director
Hsiao Tung Min	Executive Director
Ng Shw u Ching	Executive Director

CORPORATE STRUCTURE



This chart features the company's direct subsidiaries & associates and excludes dormant & inactive companies

SALES BY SEGMENT (MYR mn)

	2006	2007	2008	2009	2010	5 Yr Cagr
Cookw are	37.3	37.2	45.4	37.1	24.6	-8.0%
Convex Mirror	4.4	3.9	4.6	4.7	6.6	8.4%
Clad metals	2.0	3.3	6.4	5.5	4.6	18.1%
Other - restaurant					0.3	na
Total	**43.7**	**44.4**	**56.4**	**47.3**	**36.1**	**-3.7%**

% Total	2006	2007	2008	2009	2010
Cookw are	85.4%	83.8%	80.4%	78.4%	68.1%
Convex Mirror	10.1%	8.8%	8.2%	9.9%	18.3%
Clad metals	4.6%	7.4%	11.3%	11.6%	12.7%
Other - restaurant					0.8%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

SALES BY REGION (MYR mn)

	2006	2007	2008	2009	2010	5 Yr Cagr
Japan	24.0	23.1	33.9	25.5	18.1	-5.5%
Malaysia	5.2	7.5	6.8	9.5	5.8	2.0%
Other Asia	10.5	11.5	13.0	8.0	9.0	-2.9%
USA/Canada	1.3	0.9	1.1	1.9	1.8	6.7%
Europe	0.4	0.4	0.6	0.5	0.7	10.6%
Other	2.2	0.9	1.1	1.9	0.7	-19.8%
Total	**43.6**	**44.4**	**56.5**	**47.3**	**36.1**	**-3.7%**

% Total	2006	2007	2008	2009	2010
Japan	55%	52%	60%	54%	50%
Malaysia	12%	17%	12%	20%	16%
Other Asia	24%	26%	23%	17%	25%
USA/Canada	3%	2%	2%	4%	5%
Europe	1%	1%	1%	1%	2%
Other	5%	2%	2%	4%	2%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

PRODUCTION CAPACITY

Capacity	2007	2008	2009	2010	2011	5 yr CAGR
Cookw are (units)	1,662,000	1,662,000	1,662,000	1,662,000	1,662,000	0.0%
Clad Metal (units)	831,000	831,000	831,000	831,000	831,000	0.0%
Convex Mirror (pieces)	55,000	55,000	55,000	55,000	55,000	0.0%
Factory Space (m^2)	14,002	14,002	14,002	14,002	14,002	0.0%
Factory 1	6,320	6,320	6,320	6,320	6,320	0.0%
Factory 2	7,682	7,682	7,682	7,682	7,682	0.0%

Machinery (Units)	2007	2008	2009	2010	2011	5 yr CAGR
	259	265	280	289	289	2.2%

PROFIT & LOSS (All figures in MYR mn unless otherwise indicated)

FY Dec	2009	2010	2011F	2012F
Revenue	47.3	36.0	41.5	44.0
Operating Profit	6.9	0.0	5.4	5.7
Other Income	1.0	0.7	0.6	0.6
Share of Associates	0.0	0.0	0.0	0.0
Depreciation/Amortization	-2.3	-2.3	-2.3	-2.4
Finance Costs	-0.3	-0.1	-0.1	-0.1
Pre Tax Profit	6.7	0.0	5.3	5.7
Tax	-1.6	-0.3	-1.3	-1.4
Minority Interest	0.0	0.0	0.0	0.1
Net Profit to Shareholders	5.1	-0.3	4.0	4.2
Operating Margin (%)	14.6	0.1	13.0	13.0
PBT Margin (%)	14.2	0.0	12.9	12.9
Net Margin (%)	10.8	-0.9	9.5	9.5
Effective Tax Rate (%)	23.9	25.0	25.0	25.0

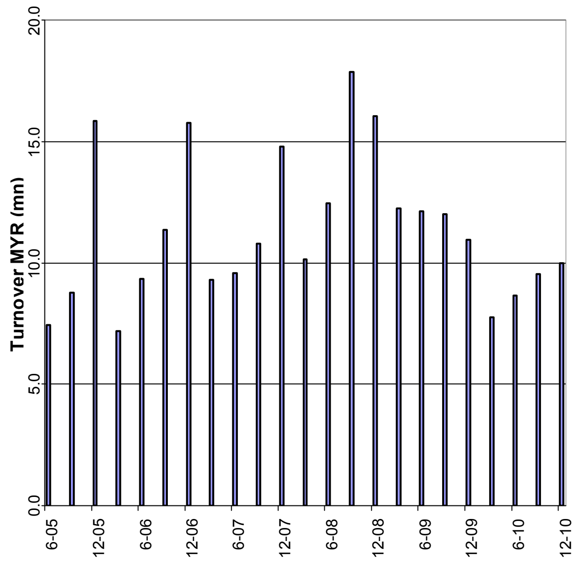
BALANCE SHEET (All figures in MYR mn unless otherwise indicated)

FY Dec	2009	2010	2011F	2012F
Total Assets	68.8	65.3	68.2	71.3
Fixed Assets	34.5	34.3	35.7	37.2
Current Assets	29.2	25.9	27.4	29.1
Other LT Assets	5.1	5.1	5.1	5.1
Current Liabilities	7.2	5.7	5.7	5.8
LT Liabilities	2.7	2.2	2.2	2.2
Total Liabilities	9.8	7.9	8.0	8.1
Share Capital	47.3	47.3	47.3	47.3
Minority Interest	0.0	0.0	0.0	0.0
Owner's Equity	59.0	57.4	60.2	63.3
Total Equity	59.0	57.4	60.2	63.3
Total Liabilities & Equity	68.8	65.3	68.2	71.3

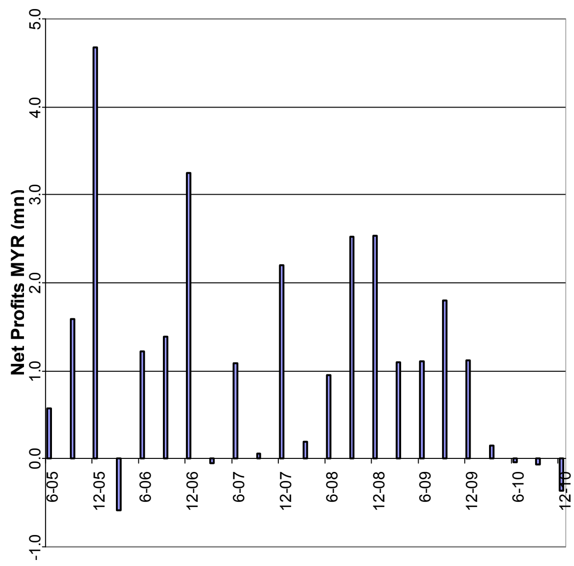
PER SHARE DATA (All figures in sen unless otherwise indicated)

FY Dec	2009	2010	2011F	2012F
Revenue	20.0	15.2	17.5	18.6
Cash Flow	3.1	0.8	2.7	2.8
Earnings	2.2	-0.1	1.7	1.8
Dividends	1.5	0.5	0.5	0.5
Book Value	24.9	24.3	25.5	26.7
Payout (%)	70.4	na	29.4	27.6
P-S (x)	1.2	1.1	0.9	0.9
P-CF (x)	7.3	19.6	6.0	5.7
P-E (x)	10.6	na	9.6	9.0
P-BV (x)	0.9	0.7	0.6	0.6
Dividend Yield (%)	6.6	3.1	3.1	3.1
ROE (%)	8.7	-0.6	6.6	6.6
Total Debt/Equity (%)	16.7	13.7	13.2	12.7

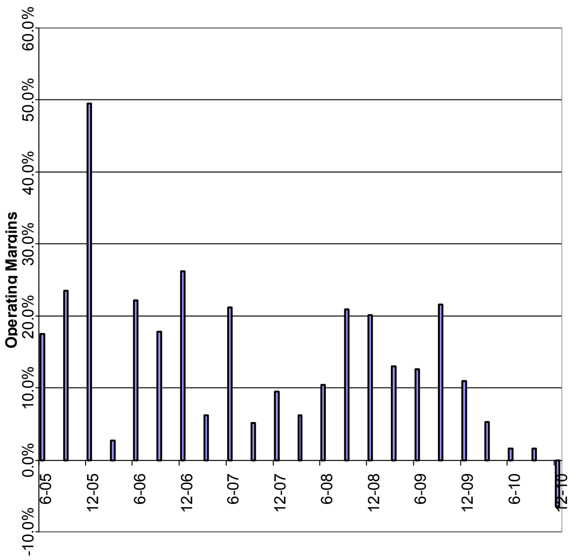
REVENUE (QUARTERLY, LAST 5 YEARS, MYR mn)



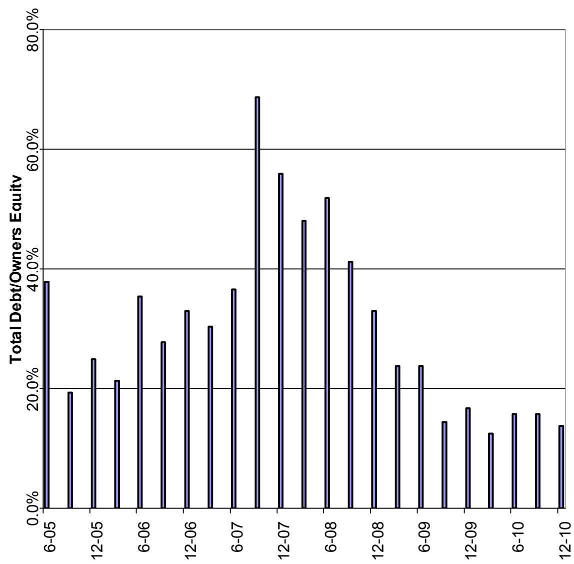
NET PROFIT (Q'TERLY, LAST 5 YRS, MYR mn)



OPERATING PROFIT MARGINS



TOTAL DEBT/OWNER EQUITY



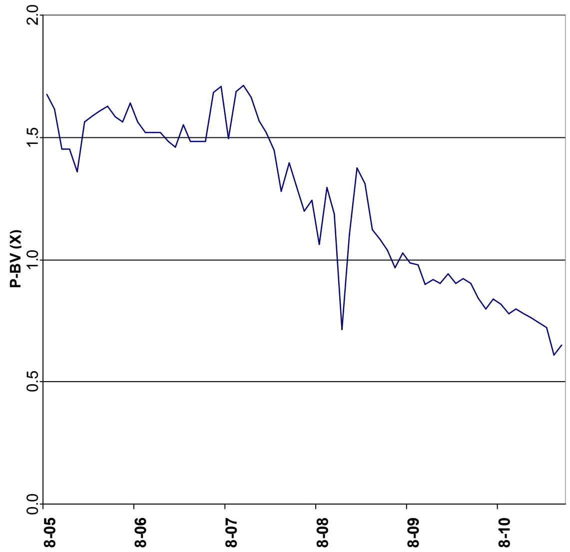
COMPETITOR'S METRICS (All figures in MYR mn unless otherwise indicated)

FY1* Ending	Ni Hsin Resources Bhd Dec-11	Cam Resources Bhd Dec-11
Revenue	41.5	69.8
Net Profit	4.0	4.1
Equity	60.2	88.9
Dividends	1.2	0.0
Market Cap	37.9	46.2
P-S (x)	0.9	0.7
P-E (x)	9.6	11.2
P-BV (x)	0.6	0.5
Div Yield (%)	3.1	0.0
Net Margins (%)	9.5	5.9
ROE (%)	6.6	4.6
Payout Ratio (%)	29.4	0.0

*Consensus data used for peers where available

SHARE PRICE (MONTHLY, LAST 5 YEARS, MYR)

P-BV (X) (MONTHLY, LAST 5 YEARS)



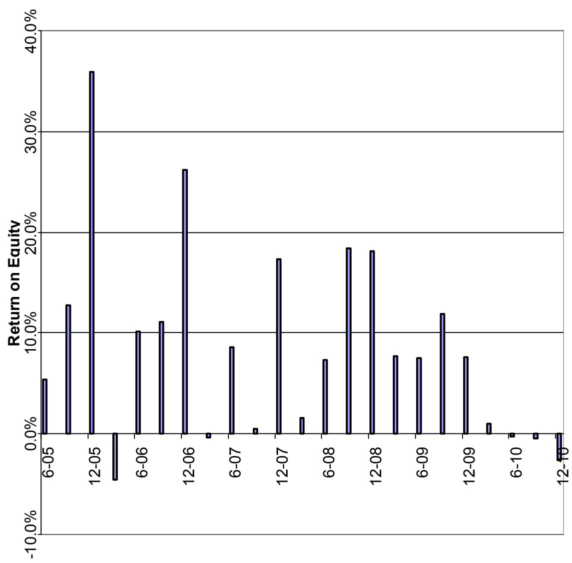
VALUATION METRICS

Current Year Dec 2011	Current Year Metrics	Apply Historic P-BV to Current BV	Apply Historic ROE to Current BV	Fair Value*
Sales (MYR mn)	41.5			
Book Value (MYR mn)	60.2			
Earnings (MYR mn)	4.0		5.4	
ROE	6.6%		9.0%	
P-BV (x)	0.6	1.2		
P-E (x)	9.6		9.0	
Market Cap (MYR mn)	37.9	72.3	48.8	
Price (MYR)	0.16	0.31	0.21	0.27
Average Fair Value Estimate (MYR) **	**0.26**			

*Proprietary Fair Value Model

** A check on our Proprietary Fair Value Model Price

RETURN ON EQUITY



INVESTMENT RISKS

Risks to our recommendation and target price include:

i) Increases in the general level of interest rates would dampen the outlook for Ni Hsin Resources Bhd ("NHR"). With a total debt/equity ratio well below 20%, however, NHR is fairly well insulated from all but very sharp increases in interest rates. In addition, Bank Negara Malaysia so far seems intent on mitigating inflationary pressures with a strong ringgit, rather than relying on interest rate increases.

ii) Increases in the level of oil and food prices pose another risk to cookware sales. Energy prices, especially fossil fuels such as crude oil and coal are reaching 'painful' levels in many countries around the world. In addition, food prices are also at very elevated levels which may well lead to lower levels of consumption. If crude oil prices rise another 20-30% we may well see another major economic shock and with it a more pronounced drop in demand for both oil and food. With less spending power due to higher energy and food prices, consumers around the world will have to tighten their belts.

Ironically, higher food prices tend to induce people to eat a greater proportion of home prepared food. Meanwhile higher energy prices are a plus point for NHR's cookware as they use less energy to cook food in comparison with lower quality cookware.

iii) A slowdown in the economies of Japan and Malaysia, NHR's major markets, would also be a negative. The recent disaster in Northern Japan may in fact have a silver lining. Tens of thousand of homes were destroyed; whether people rebuild or move to another location they will very likely require replacement cookware.

iv) Higher stainless steel prices would also be a negative. Metal prices are already quite high and with hints of slower growth emanating out of many large economies, any increases in metal prices are not likely to equal the quantum seen over the last eighteen months.

INDUSTRY SALES AND COST DRIVERS

SALES DRIVERS - PURCHASING POWER IN JAPAN, MALAYSIA PROXY

Japan National Income	2006	2007	2008	2009	2010	5Yr CAGR
Japan GDP (Yen bn)	$507,583.63	$515,486.18	$504,409.53	$470,883.15	$479,378.83	-1.1%
Annual Price Change	1.1%	1.6%	-2.1%	-6.6%	1.8%	

Malaysia National Income	2006	2007	2008	2009	2010	5 Yr CAGR
GDP Per Capita (MYR)	21,409.2	23,533.3	26,902.5	24,365.6	27,113.4	4.8%
Annual Change	8.5%	9.9%	14.3%	-9.4%	11.3%	

COST DRIVERS - NICKEL PRICES, STAINLESS STEEL PRICES

NICKEL PRICES

Avg Prices, USD/Tonne	2007	2008	2009	2010	2011	5 Yr CAGR
Nickel Prices	$35,865.42	$20,806.67	$15,008.33	$22,342.08	$28,170.00	3.1%
Annual Price Change	48.3%	-42.0%	-27.9%	48.9%	26.1%	

STAINLESS STEEL PRICES

Avg Prices, USD/MT*	2007	2008	2009	2010	2011	5 Yr CAGR
Stainless Steel Prices	$5,505.63	$4,815.63	$2,930.71	$4,061.25	$4,455.00	-4.1%
Annual Price Change	42.6%	-12.5%	-39.1%	38.6%	9.7%	
***304 Cold Rolled**						

ANALYST'S DISCLOSURE

BUY: Share price may exceed 10% over the next 12 months

TRADING BUY: Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain

NEUTRAL: Share price may fall within the range of +/- 10% over the next 12 months

TAKE PROFIT: Target price has been attained. Look to accumulate at lower levels

SELL: Share price may fall by more than 10% over the next 12 months

NOT RATED (NR): Stock is not within regular research coverage

All research is based on materials compiled from data considered to be reliable at the time of writing. However, information and opinions expressed are subject to change at short notice, and no part of this report is to be construed as an offer or solicitation of an offer to transact any securities or financial instruments whether referred to herein or otherwise.

We do not accept any liability directly or indirectly that may arise from investment decision-making based on this report. The company, its directors, officers, employees and/or connected persons may periodically hold an interest and/or underwriting commitments in the securities mentioned.

This report has been prepared Wilson & York Global Advisers Sdn Bhd for purposes of CMDF-Bursa Research Scheme ("CBRS") administered by Bursa Malaysia Berhad and has been compensated to undertake the scheme. Wilson & York Global Advisers Sdn Bhd has produced this report independent of any influence from CBRS or the subject company.

For more information about CBRS and other research reports, please visit Bursa Malaysia's website at: http://www.bursamalaysia.com/website/bm/listed_companies/cmdf_bursa_research_scheme/

J Charles Wilson
Head of Research

ANALYST'S RECOMMENDATION RECORD

Ticker	Date	Recommendation	FairValue	Price At Recommendation Date	% Price Change Since Prior Recommendation
NHR MK Equity	24-Feb-11	HOLD	0.17	0.17	
NHR MK Equity	11-Apr-11	BUY	0.27	0.16	-5.9%

QUESTIONS?
CONTACT THE INVESTMENT ADVISER:

Wilson & York Global Advisers Sdn Bhd
Suite B-11-3A, Level 11, Block B, Plaza Mont' Kiara
2, Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur
Malaysia

Tel: +603 6203 2280
Fax: +603 6203 2281

E-mail info@wygainvesments.com
Website: www.wygainvestments.com

CONTACT THE COMPANY:

Ni Hsin Resources Berhad
No. 45, Jalan Taming Dua
Taman Taming Jaya
43300 Seri Kembangan
Selangor, Malaysia.

Tel: +603 8961 6815
Fax: +603 8961 3941

Website: www.ni-hsin.com.my