STANDARD &POOR'S

Ni Hsin Resources

Recommendation: **NOT RANKED**

Stock Code: **7215** Bloomberg: **NHR MK** Price: **MYR0.23** 12-Month Target Price: **NA** Date: **February 2, 2010**

Board: Main

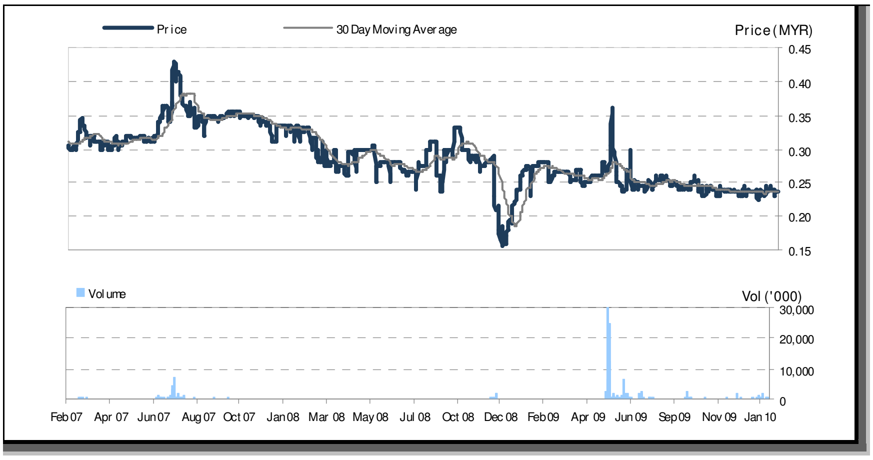
Sector: Consumer Products

GICS: Consumer Discretionary/Housewares & Specialties

Market Value - Total: MYR55.6 mln

Summary: Ni Hsin Resources (NHR) is an investment holding company with subsidiaries involved in the manufacture of high-end cookware under the "Buffalo" brand, convex mirrors and clad metal. Cookware accounts for 85% of the group's revenue with over 90% of production exported. NHR was listed on July 28, 2005 on Bursa's Second Board.

Analyst: Ai Lien Ng



Recent Developments

Recommendation & Investment Risks

- We are suspending coverage of NHR pending an analytical change and/or universe coverage change. Our last call and target price are Buy and MYR0.27.

- Please note that our recommendation and target price may no longer represent our current view on the company. If readers have any queries, please direct them to asiaequityresearch@standardandpoors.com. For residents of Malaysia, all queries in relation to this report should be referred to Alexander Chia, Desmond Ch'ng or Ching Wah Tam in our K.L. office.

Key Stock Statistics

FY Dec.	2008	2009E
Reported EPS (sen)	2.7	2.4
PER (x)	8.6	9.7
Dividend/Share (sen)	2.0	2.0
NTA/Share (MYR)	0.24	0.24
Book Value/Share (MYR)	0.24	0.24
No. of Outstanding Shares (mln)	236.6	
52-week Share Price Range (MYR)	0.23 - 0.36	
Major Shareholders:	%	
Hsiao Family	68.0	
LTAT	4.5	

* Stock deemed Shariah compliant by the Securities Commission

Per Share Data

FY Dec.	2006	2007	2008	2009E
Book Value (MYR)	0.22	0.23	0.24	0.24
Cash Flow (sen)	3.6	2.7	3.9	3.8
Reported Earnings (sen)	2.4	1.5	2.7	2.4
Dividend (sen)	2.0	0.0	2.0	2.0
Payout Ratio (%)	85.1	0.0	74.7	83.0
PER (x)	10.0	16.0	8.6	9.7
P/Cash Flow (x)	6.6	8.6	6.0	6.3
P/Book Value (x)	1.1	1.0	1.0	1.0
Dividend Yield (%)	8.5	0.0	8.5	8.5
ROE (%)	8.0	4.5	8.1	7.7
Net Gearing (%)	6.4	22.7	7.6	0.0

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Profit & Loss

FY Dec. / MYR mln	2007	2008	2009E	2010E
Reported Revenue	44.4	56.5	48.6	56.5
Reported Operating Profit	4.5	8.9	8.0	8.6
Depreciation & Amortization	2.2	3.0	3.8	4.5
Net Interest Income / (Expense)	-0.6	-0.9	-0.3	-0.1
Reported Pre-tax Profit	4.0	8.0	7.8	8.4
Effective Tax Rate (%)	NM	22.0	27.0	25.0
Reported Net Profit	3.3	6.2	5.7	6.3
Reported Operating Margin (%)	10.2	15.7	16.5	15.2
Reported Pre-tax Margin (%)	9.0	14.1	16.0	14.9
Reported Net Margin (%)	7.4	11.0	11.6	11.2

Source: Company data, S&P Equity Research

Required Disclosures

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Glossary

Strong Buy: Total return is expected to outperform the total return of the KLCI or KL Emas Index respectively, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.
Buy: Total return is expected to outperform the total return of the KLCI or KL Emas Index respectively, over the coming 12 months, with shares rising in price on an absolute basis.
Hold: Total return is expected to closely approximate the total return of the KLCI or KL Emas Index respectively, over the coming 12 months with shares generally rising in price on an absolute basis.
Sell: Total return is expected to underperform the total return of the KLCI or KL Emas Index respectively, over the coming 12 months and share price is not anticipated to show a gain.
Strong Sell: Total return is expected to underperform the total return of the KLCI or KL Emas Index respectively, over the coming 12 months by a wide margin, with shares falling in price on an absolute basis.

S&P 12 Month Target Price – The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics.

Shariah-compliant stock - As defined by the Shariah Advisory Council of Malaysia's Securities Commission

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Recommendation and Target Price History

Date	Recommendation	Target Price
New	Not Ranked	
19-Nov-09	Buy	0.27
21-Aug-09	Buy	0.34
27-Jul-09	Buy	0.33
21-May-09	Sell	0.31
27-Feb-09	Sell	0.23
27-Nov-08	Hold	0.20
28-Aug-08	Sell	0.25
26-May-08	Hold	0.30
3-Mar-08	Hold	0.32
10-Dec-07	Hold	0.37