

**Part A – Explanatory Notes Pursuant to FRS 134**

**A1. BASIS OF PREPARATION**

The interim financial statements have been prepared under the historical cost convention except for the financial assets and investment properties which were stated at fair values.

The interim financial statements were unaudited and have been prepared in accordance with requirements of the Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting and paragraph 9.22 of the 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 2011. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that were significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

**A2. CHANGES IN ACCOUNTING POLICIES**

The significant accounting policies adopted were consistent with those of the audited financial statements for the year ended 31 December 2011.

**A3. COMPARATIVES**

There were no changes to the comparatives during the current financial period.

**NAIM INDAH CORPORATION BERHAD (19727-P)**  
**(Incorporated in Malaysia)**

**Part A – Explanatory Notes Pursuant to FRS 134**

**A4. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the preceding financial statements for the year ended [31 December 2011](#) was not qualified by the Auditors of the Company.

**A5. SEGMENTAL INFORMATION**

	<b>3 months ended 31.03.2012 RM'000</b>	<b>3 months ended 31.03.2011 RM'000</b>
<b>Segment Revenue</b>		
Revenue from continuing operations:-		
Investment holding	43	196
Timber extraction	-	1,424
Property management	938	950
Property development	-	-
Total revenue including inter-segment revenue	<u>981</u>	<u>2,570</u>
Elimination of inter-segment revenue	<u>(43)</u>	<u>(196)</u>
Total revenue from continuing operations	<u>938</u>	<u>2,374</u>
Revenue from discontinued operations	-	-
Total	<u><u>938</u></u>	<u><u>2,374</u></u>
<b>Segment Results</b>		
Results from continuing operations:-		
Investment holding	(915)	(367)
Timber extraction	34	275
Property management	(340)	315
Property development	(82)	(87)
	<u>(1,303)</u>	<u>136</u>
Eliminations	-	-
Total results from continuing operations	<u>(1,303)</u>	<u>136</u>
Results from discontinued operations	-	-
Total	<u><u>(1,303)</u></u>	<u><u>136</u></u>

**A6. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE, OR INCIDENCE**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended [31 March 2012](#).

**Part A – Explanatory Notes Pursuant to FRS 134**

**A7. CHANGES IN ESTIMATES**

There was no change in estimates that had a material effect on the current quarter results.

**A8. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

The Group's performance is not subject to seasonal or cyclical fluctuations, except for the timber business the extraction works of which are dependent upon the weather conditions at the place where the forest is located.

**A9. DIVIDENDS PAID**

No interim ordinary dividend has been paid in the current financial period ended [31 March 2012](#) ([31 March 2011](#): Nil).

**A10. 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 2011](#).

**A11. DEBT AND EQUITY SECURITIES**

There were no issuances, cancellations, repurchases, resale or repayments of debts and equity securities during the interim financial period.

**A12. CHANGES IN COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group in the current financial quarter.

**A13. DISCONTINUED OPERATION**

There were no existing business segments that can be categorised as discontinued in the current financial quarter.

**A14. CAPITAL COMMITMENTS**

There were no material changes in capital commitments for the Group since the last annual balance sheet date as at [31 December 2011](#).

**Part A – Explanatory Notes Pursuant to FRS 134**

**A15. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet date as at [31 December 2011](#).

**A16. SUBSEQUENT EVENTS**

There were no material events subsequent to the end of the current financial quarter, except for an announcement made for Heads of Agreement (“HOA”) entered into between the Company and Generasi Cipta Sdn Bhd (“GENCIP”) on 9 February 2012, for the proposed acquisition of 60% in Sagajuta (Sabah) Sdn Bhd (“Sagajuta”) for an indicative price of RM240,000,000.00. The Company also intends to acquire the remaining 40% equity interest in Sagajuta that is not owned by GENCIP on similar terms as agreed between the Company and GENCIP.

The HOA is non-binding and shall be effective from 9 February 2012 (“Effective Date”) and continue to be in full force until the earlier occurrence of the following events: -

- (a) 10 months from the Effective Date;
- (b) any earlier date to be mutually agreed in writing; or
- (c) when superceded by the terms of a Definitive Agreement.

Details of the proposed acquisition can be found from the Company’s announcement made on 10 February 2012 and its updates dated 7 March 2012 and 10 May 2012 respectively.

**PART B - Explanatory Notes Pursuant to Appendix 9B of  
the Listing Requirements of Bursa Malaysia Securities Berhad**

**B1. PERFORMANCE REVIEW**

For the current financial period ended 31 March 2012, the Group's revenue was RM0.94 million compared to RM2.37 million in the preceding financial period ended 31 March 2011. The differences were mainly due to the following: -

- (1) a decrease in revenue from the investment holding segment of RM0.15 million,
- (2) a decrease in revenue from timber logging activities of RM1.42 million, and
- (3) a decrease in revenue from property development activities of RM0.01 million.

As a result, the Group recorded a loss before tax of approximately RM1.30 million as compared to a profit before tax of approximately RM0.14 million for the corresponding preceding financial period ended 31 March 2011. The differences were mainly due to the following: -

- (1) an increase in loss of RM0.54 million from investment holding segment mainly due to loss of revenue and recognition of administrative and overhead expenses during the current financial period,
- (2) a decrease in profit from timber logging activities of RM0.24 million due to decrease in activities, and
- (3) an increase in loss from property management segment of RM0.65 million due to recognition of administrative and overhead expenses during the current financial period,

**B2. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION**

The Group's recorded a loss before taxation of approximately RM1.30 million for the current quarter as compared to a profit before taxation of approximately RM1.31 million for the quarter ended 31 December 2011. The differences were mainly due to the following: -

- (1) a reversal impairment losses previously recognized in joint venture project during the immediate preceding financial period of RM2.29 million,
- (2) a reversal of allowance for doubtful debts of RM0.23 million in timber logging segment during the immediate preceding financial period.

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**B3. COMMENTARY ON PROSPECTS**

The Directors are of the view that the performance of the Group hinges substantially on the performance of its subsidiaries namely Jernih Makmur Sdn Bhd (Principal activity - logging and selling of round end timber logs) and Consistent Harvest Sdn Bhd (Principal activity - renting of shopping spaces in its shopping complex) and the joint venture property development with Creative Springs Sdn. Bhd. Barring any unforeseen circumstances, the Directors expect that they will be able to achieve better performance of the Group in the remaining periods of the current year.

**B4. PROFIT FORECAST OR PROFIT GUARANTEE**

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interests and forecast profit after tax and minority interests and for the shortfall in profit guarantee are not applicable.

**B5. INCOME TAX EXPENSE**

	3 months ended		3 months ended	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	-	-	-	-
Over/ (Under) provision for income tax in prior period	-	-	-	-
Deferred taxation	-	-	-	-
Current provision	-	-	-	-

There was no provision for taxation for the current financial period.

**B6. CORPORATE PROPOSALS**

There were no corporate proposals announced but not completed as at the date of issuance of this quarterly report, except for as disclosed in note A16 herein.

**B7. BORROWINGS**

	As at 31.3.2012 RM'000
Secured borrowings: -	
Payable within one year	5,154
Payable after one year	14,104
	<u>19,258</u>

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**PART B – Explanatory Notes Pursuant to Appendix 9B of  
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**B8. CHANGES IN MATERIAL LITIGATION**

As at 21 May 2012, there were no changes in material litigations, including the status of pending material litigations since the last annual balance sheet date as at 31 December 2011.

**B9. DIVIDENDS PAYABLE**

No interim ordinary dividend has been declared for the financial period ended 31 March 2012 (31 March 2011: Nil).

**B10. EARNINGS PER SHARE**

	3 months ended		3 months ended	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Profit / (Loss) from continuing operations attributable to ordinary equity holders of the parent (RM'000)	(1,303)	136	(1,303)	136
Profit / (Loss) from discontinued operations attributable to ordinary equity holders of the parent (RM'000)	-	-	-	-
Profit / (Loss) attributable to ordinary equity holders of the parent (RM'000)	<u>(1,303)</u>	<u>136</u>	<u>(1,303)</u>	<u>136</u>
Weighted average number of Ordinary Shares in issue ('000)	702,034	702,034	702,034	702,034
Basic earnings per share (sen)	(0.19)	0.02	(0.19)	0.02
Diluted earnings per share (sen)	(0.19)	0.02	(0.19)	0.02

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**B11. DISCLOSURE OF REALISED AND UNREALISED PROFITS / LOSSES**

	<b>3 months ended 31.03.2012 RM'000</b>	<b>3 months ended 31.03.2011 RM'000</b>
Total retained profits / (accumulated losses) of the Company and its subsidiaries:		
-Realised	(43,468)	(39,271)
-Unrealised	-	-
Total share of retained profits / (accumulated losses) from associated companies:		
-Realised	-	-
-Unrealised	-	-
Total share of retained profits / (accumulated losses) from jointly controlled entities:		
-Realised	-	-
-Unrealised	-	-
	<hr/>	<hr/>
Less: Consolidation adjustments	(43,468) (21,334)	(39,271) (23,362)
	<hr/>	<hr/>
Total group retained profits / (accumulated losses) as per consolidated accounts	<b>(64,802)</b>	<b>(62,633)</b>



**PART B – Explanatory Notes Pursuant to Appendix 9B of  
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**B12. DISCLOSURE OF ADDITIONAL INFORMATION**

	<b>3 months ended 31.03.2012 RM'000</b>	<b>3 months ended 31.03.2012 RM'000</b>
Interest income	2	2
Other income including investment income	-	-
Interest expenses	(275)	(275)
Depreciation and amortisation	(271)	(271)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain / (Loss) on disposal of quoted, unquoted investments & properties	-	-
Impairment of assets	-	-
Foreign exchange gain / (loss)	-	-
Gain / (Loss) on derivatives	-	-
Exceptional items (with details) (if any)	-	-

By order of the Board  
**THAM WAI YING**  
Company Secretary  
MAICSA NO. 7016123

Dated this 28 May 2012