

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 following assets which were stated at fair values: financial assets at fair value through profit or loss and investment properties.

The interim financial statements were unaudited and have been prepared in accordance with requirements of the Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 of the 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 2006. 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 2006.

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 2006.

A3. COMPARATIVES

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

A4. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the preceding financial statements for the year ended [31 December 2006](#) was not qualified by the Auditors of the Company.

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

Part A – Explanatory Notes Pursuant to FRS 134

A5. SEGMENTAL INFORMATION

	6 months ended 30.06.2007 RM'000	6 months ended 30.06.2006 RM'000
Segment Revenue		
Revenue from continuing operations:-		
Investment holding	447	446
Timber extraction	-	1,275
Property management	1,795	1,950
Property development	1,009	161
Total revenue including inter-segment revenue	<u>3,251</u>	<u>3,832</u>
Elimination of inter-segment revenue	(447)	(446)
Total revenue from continuing operations	<u>2,804</u>	<u>3,386</u>
Revenue from discontinued operations	-	-
Total	<u><u>2,804</u></u>	<u><u>3,386</u></u>
Segment Results		
Results from continuing operations:-		
Investment holding	(1,199)	(1,137)
Timber extraction	(106)	339
Property management	241	530
Property development	1,673	(1,867)
Net gain / (losses) from fair value adjustment	697	950
Others	-	-
	<u>1,306</u>	<u>(1,185)</u>
Eliminations	(1,972)	(761)
Total results from continuing operations	<u>(666)</u>	<u>(1,946)</u>
Results from discontinued operations	-	-
Total	<u><u>(666)</u></u>	<u><u>(1,946)</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 30 June 2007.

A7. CHANGES IN ESTIMATES

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

Part A – Explanatory Notes Pursuant to FRS 134

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 the financial period ended [30 June 2007](#) ([30 June 2006](#): 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 2006, except that during the interim financial period, there was a revaluation of a piece of vacant land pending disposal, which has been reclassified as an investment property.

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 at [31 December 2006](#).

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 at [31 December 2006](#).

A16. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current financial quarter.

**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 30 June 2007, the Group's revenue was RM2.80 million compared to RM3.39 million in the preceding financial period ended 30 June 2006. The decrease in revenue was mainly due to the Group's inability to extract any round timber logs, as the Group was still waiting for the final issuance of permit prior to logging.

The Group recorded a loss before tax of approximately RM0.67 million compared to a loss before tax of approximately RM1.95 million for the corresponding preceding financial period ended 30 June 2006, which was mainly due to the recognition of loss from property development segment during the corresponding preceding period ended 30 June 2006.

B2. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group's recorded a loss before taxation of approximately RM0.17 million for the current quarter as a compared to a loss before taxation of approximately RM0.49 million for the quarter ended 31 March 2007, this was mainly due to the recognition of the gain from fair value adjustment, as a result of the reclassification of a piece of vacant land pending disposal to investment property during the current quarter.

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 with Creative Springs Sdn Bhd (Property Development). Barring any unforeseen circumstances, the Directors are confident that they will be able to improve the performance of the Group in the remaining periods of the current financial 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.

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

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

B5. INCOME TAX EXPENSE

	3 months ended		6 months ended	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	(67)	63	(67)	-
Under provision in prior year	(89)	-	(89)	-
Deferred taxation	48	(50)	48	(50)
Current provision	<u>(108)</u>	<u>13</u>	<u>(108)</u>	<u>(50)</u>

The provision for taxation during the current financial period was mainly contributed by the property management segment.

B6. SALE OF UNQUOTED INVESTMENTS AND/ OR PROPERTIES

There were no sales of unquoted investments and properties in the current financial period under review.

B7. QUOTED SECURITIES

There were no purchases or disposals of quoted securities in the current financial period under review.

B8. CORPORATE PROPOSALS

There were no corporate proposals announced but not completed as at the date of issuance of this quarterly report.

B9. BORROWINGS

	As at 30.06.2007 RM'000
Secured borrowings: -	
Payable within one year	11,471
Payable after one year	<u>447</u>
	<u>11,918</u>

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

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

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no financial instruments with off balance sheet risk issued during the current financial period under review.

B11. CHANGES IN MATERIAL LITIGATION

As at 20 August 2007, there were no changes in material litigations, including the status of pending material litigations since the last annual balance sheet date at 31 December 2006.

B12. DIVIDENDS PAYABLE

No interim ordinary dividend has been declared for the financial period ended 30 June 2007 (30 June 2006: Nil).

B13. EARNINGS PER SHARE

	3 months ended		6 months ended	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
Profit / (Loss) from continuing operations attributable to ordinary equity holders of the parent (RM'000)	(278)	(868)	(774)	(1,996)
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>(278)</u>	<u>(868)</u>	<u>(774)</u>	<u>(1,996)</u>
Weighted average number of Ordinary Shares in issue ('000)	702,034	546,871	702,034	546,871
Basic earnings per share (sen)	(0.04)	(0.16)	(0.11)	(0.36)
Diluted earnings per share (sen)	(0.04)	(0.12)	(0.11)	(0.28)

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

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

B14. AUTHORISATION FOR ISSUE OF INTERIM FINANCIAL STATEMENTS

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on [27 August 2007](#).

By order of the Board
YEAP KOK LEONG
Company Secretary
MAICSA NO. 0862549
[Dated this 27 August 2007](#)