

**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 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 2007. The explanatory notes attached to the interim financial statements provide explanations 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 2007.

**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 2007.

**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 2007](#) was not qualified by the Auditors of the Company.

**NAIM INDAH CORPORATION BERHAD (19727-P)**  
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**A5. SEGMENTAL INFORMATION**

	<b>6 months ended 30.06.2008 RM'000</b>	<b>6 months ended 30.06.2007 RM'000</b>
<b>Segment Revenue</b>		
Revenue from continuing operations:-		
Investment holding	457	447
Timber extraction	-	-
Property management	1,877	1,795
Property development	-	1,009
Total revenue including inter-segment revenue	<u>2,334</u>	<u>3,251</u>
Elimination of inter-segment revenue	<u>(457)</u>	<u>(447)</u>
Total revenue from continuing operations	<u>1,877</u>	<u>2,804</u>
Revenue from discontinued operations	<u>-</u>	<u>-</u>
Total	<u><u>1,877</u></u>	<u><u>2,804</u></u>
<b>Segment Results</b>		
Results from continuing operations:-		
Investment holding	(1,017)	(1,199)
Timber extraction	(149)	(106)
Property management	146	241
Property development	(134)	1,673
Net gain / (loss) from fair value adjustment	<u>-</u>	<u>697</u>
	<u>(1,154)</u>	<u>1,306</u>
Eliminations	<u>-</u>	<u>(1,972)</u>
Total results from continuing operations	<u>(1,154)</u>	<u>(666)</u>
Results from discontinued operations	<u>-</u>	<u>-</u>
Total	<u><u>(1,154)</u></u>	<u><u>(666)</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 2008.

**A7. CHANGES IN ESTIMATES**

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

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**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 [30 June 2008](#) ([30 June 2007](#): 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 2007](#).

**A11. DEBT AND EQUITY SECURITIES**

There were no issuances, cancellations, repurchases, resales 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 except for the cancellation of the Banking and Financial Institutions (Kewangan Bersatu Berhad) (Assumption of Control) Order, 1998 on the whole property, business and affairs of Kewangan Bersatu Berhad and its subsidiaries (KBB Group) whereby Bank Negara Malaysia instructed that the entire assets and liabilities of the KBB Group be disposed of to Maybank. This disposal, however, has no consequential financial impact on the Company. Accordingly, the financial statement of KBB Group was consolidated in the preparation of the current quarter results.

**A13. DISCONTINUED OPERATION**

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

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**A14. CAPITAL COMMITMENTS**

There were no material changes in capital commitments for the Group since the last annual balance sheet date at [31 December 2007](#).

**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 2007](#).

**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 2008](#), the Group's revenue was [RM1.88](#) million as compared to [RM2.80](#) million in the preceding financial period ended [30 June 2007](#). The decrease in revenue was mainly due to the Groups' efforts being used for the preparation of new launches in its property development segment.

As a result, the Group recorded a loss before tax of approximately [RM1.15](#) million as compared to a loss before tax of approximately [RM0.67](#) million for the corresponding preceding financial period ended [30 June 2007](#).

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

There was no material change in the profit of the current quarter under review.

The Group recorded a loss before taxation of approximately [RM0.62](#) million for the current quarter as compared to a loss before taxation of approximately [RM0.53](#) million for the quarter ended [31 March 2008](#).

**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 are confident that better results could be achieved by 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.

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**B5. INCOME TAX EXPENSE**

	3 months ended		3 months ended	
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	-	(67)	-	(67)
Overprovision in prior year	-	(89)	-	(89)
Deferred taxation	-	48	-	48
Current provision	-	(108)	-	(108)

There is no provision for taxation during the current financial period, as the group is in a tax loss position.

**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 30.06.2008 RM'000
Secured borrowings: -	
Payable within one year	6,023
Payable after one year	7,911
	<u>13,934</u>

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**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 18 August 2008, there were no changes in material litigations, including the status of pending material litigations since the last annual balance sheet date at 31 December 2007.

**B12. DIVIDENDS PAYABLE**

No interim ordinary dividend has been declared for the financial period ended 30 June 2008 (30 June 2007: Nil).

**B13. EARNINGS PER SHARE**

	3 months ended		6 months ended	
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
Profit / (Loss) from continuing operations attributable to ordinary equity holders of the parent (RM'000)	(624)	(278)	(1,154)	(774)
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>(624)</u>	<u>(278)</u>	<u>(1,154)</u>	<u>(774)</u>
Weighted average number of Ordinary Shares in issue ('000)	702,034	702,034	702,034	702,034
Basic earnings per share (sen)	(0.09)	(0.04)	(0.16)	(0.11)
Diluted earnings per share (sen)	-	-	-	-

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**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 [25 August 2008](#).

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By order of the Board  
**YEAP KOK LEONG**  
Company Secretary  
MAICSA NO. 0862549  
[Dated this 25 August 2008](#)