

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 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 2010. 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 2010.

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 2010 except for the adoption of new standards, amendments to standards and IC interpretations that are mandatory for the Group for the financial year beginning 1 January 2011. The adoption of these standards, amendments and interpretations do not have any material impact on the interim financial information of the Group except for the adoption of the following standard as set out below:

FRS 101 – Presentation of financial statements

The revised standard prohibits the presentation of items of income and expenses (that is ‘non-owner changes in equity’) in the statement of changes in equity, requiring ‘non-owner changes in equity’ to be presented separately from owner changes in equity. All ‘non-owner changes in equity’ are required to be shown in a statement of comprehensive income which can be presented as a single statement or two statements (comprising the income statement and statement of comprehensive income). The Group has elected to present the statement of comprehensive income in a single statement.

FRS 139 – Financial Instruments – Recognition and Measurement

The principal effect of the changes in accounting policies arising from adoption of FRS 139 and its related amendments to FRSs and IC Interpretation are as disclosed in Note A6.

A3. COMPARATIVES

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

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A4. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the preceding financial statements for the year ended 31 December 2010 was not qualified by the Auditors of the Company.

A5. SEGMENTAL INFORMATION

	3 months ended 31.03.2011 RM'000	3 months ended 31.03.2010 RM'000
Segment Revenue		
Revenue from continuing operations:-		
Investment holding	196	222
Timber extraction	1,424	-
Property management	950	962
Property development	-	-
Total revenue including inter-segment revenue	2,570	1,184
Elimination of inter-segment revenue	(196)	(222)
Total revenue from continuing operations	2,374	962
Revenue from discontinued operations	-	-
Total	2,374	962
Segment Results		
Results from continuing operations:-		
Investment holding	(367)	(387)
Timber extraction	275	(43)
Property management	315	111
Property development	(87)	(134)
	136	(453)
Eliminations	-	-
Total results from continuing operations	136	(453)
Results from discontinued operations	-	-
Total	136	(453)

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 2011.

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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 2011](#) ([31 March 2010](#): 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 2010](#).

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.

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 2010](#).

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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 2010](#).

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 [31 March 2011](#), the Group's revenue was [RM2.37](#) million compared to [RM0.96](#) million in the preceding financial period ended [31 March 2010](#). The differences were mainly due to timber logging activities during the current financial period.

As a result, the Group recorded a profit before tax of approximately [RM0.14](#) million as compared to a loss before tax of approximately [RM0.45](#) million for the corresponding preceding financial period ended [31 March 2010](#).

B2. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group's recorded profit before taxation of approximately [RM0.14](#) million for the current quarter as compared to a loss before taxation of approximately [RM17.02](#) million for the quarter ended [31 December 2010](#). The differences were mainly due to timber logging activities during the current financial period.

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 and Noble Residence 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.

**PART B – Explanatory Notes Pursuant to Appendix 9B of
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B5. INCOME TAX EXPENSE

	3 months ended		3 months ended	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	-	(25)	-	(25)
Over/(Under) provision of income tax in prior period	-	-	-	-
Deferred taxation	-	-	-	-
Current provision	-	(25)	-	(25)

The provision for taxation for the previous 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 31.03.2011 RM'000
Secured borrowings: -	
Payable within one year	5,801
Payable after one year	13,276
	<u>19,077</u>

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

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

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B11. CHANGES IN MATERIAL LITIGATION

As at 23 May 2011, there were no changes in material litigations, including the status of pending material litigations since the last annual balance sheet date at 31 December 2010.

B12. DIVIDENDS PAYABLE

No interim ordinary dividend has been declared for the financial period ended 31 March 2011 (31 March 2010: Nil).

B13. EARNINGS PER SHARE

	3 months ended		3 months ended	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Profit / (Loss) from continuing operations attributable to ordinary equity holders of the parent (RM'000)	136	(453)	136	(453)
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)	136	(453)	136	(453)
Weighted average number of Ordinary Shares in issue ('000)	702,034	702,034	702,034	702,034
Basic earnings per share (sen)	0.02	(0.07)	0.02	(0.07)
Diluted earnings per share (sen)	0.02	(0.07)	0.02	(0.07)

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B14. DISCLOSURE OF REALISED AND UNREALISED PROFITS / LOSSES

	3 months ended 31.03.2011 RM'000	12 months ended 31.12.2010 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries:		
-Realised	(39,271)	(39,407)
-Unrealised	-	-
Total share of retained profits / (accumulated losses) from associate companies:		
-Realised	-	-
-Unrealised	-	-
Total share of retained profits / (accumulated losses) from jointly controlled entities:		
-Realised	-	-
-Unrealised	-	-
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Less: Consolidation adjustments	(39,271) (23,362)	(39,407) (23,362)
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Total group retained profits / (accumulated losses) as per consolidated accounts	(62,633)	(62,769)

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

Dated this 30 May 2011