

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 2012. 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 2012.

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 2012.

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 2012 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 30.06.2013 RM'000	6 months ended 30.06.2012 RM'000
Segment Revenue		
Revenue from continuing operations:-		
Investment holding	379	225
Timber extraction	561	20,270
Trading	1,181	-
Property management	1,749	1,881
Property development	-	-
Total revenue including inter-segment revenue	3,870	22,376
Elimination of inter-segment revenue	(379)	(225)
Total revenue from continuing operations	3,491	22,151
Revenue from discontinued operations	-	-
Total	3,491	22,151
Segment Results		
Results from continuing operations:-		
Investment holding	(991)	(1,507)
Timber extraction	(64)	243
Trading	43	-
Property management	(178)	(236)
Property development	(135)	(160)
	(1,325)	(1,660)
Eliminations	-	-
Total results from continuing operations	(1,325)	(1,660)
Results from discontinued operations	-	-
Total	(1,325)	(1,660)

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 2013, except as disclosed in note B6 hereinafter should the Corporate Proposals be completed successfully.

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 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 2013 (30 June 2012: 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 2012.

A11. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale or repayments of debts and equity securities during the interim financial period, except for as disclosed in Note A16 hereinafter.

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 2012.

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

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 2012.

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 2013, the Group's revenue was RM3.49 million compared to RM22.15 million in the preceding financial period ended 30 June 2012. The differences were mainly due to the following: -

- (1) A decrease in revenue from timber logging activities of RM19.71 million,
- (2) an increase in revenue from trading segment of RM1.18 million.

The Group recorded a loss before tax of approximately RM1.33 million as compared to a loss before tax of approximately RM1.66 million for the corresponding preceding financial period ended 30 June 2012. The differences were mainly due to the following: -

- (1) a decrease in loss of RM0.52 million from investment holding segment mainly due to decrease in administrative and overhead expenses;
- (2) a loss of RM64k recorded in the current financial period as compared to a profit of RM243k recorded in the preceding financial period from timber extraction segment.

B2. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group's recorded a loss before taxation of approximately RM0.8 million for the current quarter as compared to a loss before taxation of approximately RM0.52 million for the quarter ended 31 March 2013. The reasons for the material changes in profit for the two financial quarters are as follow:-

- (1) an increase in the administrative and other expenses of RM0.31 million recorded in the current quarter from the investment holding segment.

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 ("CHSB") (Principal activity - renting of shopping spaces in its shopping complex). Further, the Company, through CHSB will be developing a mixed development at its own land during the year and CHSB is also involved in the business of trading of steel bar.

Barring any unforeseen circumstances, the Directors expect that they will be able to achieve better performance of the Group in the coming current year.

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

**PART B – Explanatory Notes Pursuant to Appendix 9B of
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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		6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	-	-	-	-
Over/(Under) provision of income tax in prior period	-	-	-	-
Deferred taxation	-	-	-	-
Current provision	-	-	-	-

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

B6. CORPORATE PROPOSALS

The corporate proposals announced but not completed as at the date of issuance of this quarterly report are as follows:-

- (a) A 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:

- I. 10 months from the Effective Date;
- II. Any earlier date to be mutually agreed in writing; or
- III. When superseded by the terms of Definitive Agreement.

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

B6. CORPORATE PROPOSALS (Continued)

The Company had on 11 June 2013 announced that the HOA dated 9 February 2012 executed between NICORP and GENCIP has been rescinded due to Sagajuta group's rationalising exercise by disposing their assets for immediate funding of Sagajuta group's working capital requirements which will inevitably affect the injection value pursuant to the letter issued by GENCIP to the Board of Directors of NICORP dated 7 June 2013.

Details of the proposed acquisition and rescindment can be found from the Company's announcements made on 10 February 2012 and its updates dated 7 March 2012, 10 May 2012, 30 August 2012, 14 November 2012, 7 December 2012, 7 March 2013 and 11 June 2013 respectively.

- (b) The Company's announcement dated 17 July 2012 for Proposed Private Placement of up to 70,203,000 new Ordinary Shares of RM0.20 each in the Company, representing approximately ten percent (10%) of the Issued and Paid-up share capital of the Company, to independent third party investor(s) to be identified.

Further to an announcement on 10 June 2013 by the Company, the Proposed Private Placement had been aborted in view of the Company's intension to undertake the Proposals, as stated in the same announcement, which have a fund raising exercise under the Proposed Rights Issue with Warrants.

Details of the Proposed Private Placement can be found from the Company's announcement made on 17 July 2012 and its updates on 2 August 2012, 27 September 2012 and 10 June 2013 respectively.

- (c) The Company's announcement dated 10 August 2012 for Company had on 9 August 2012 entered into a joint-venture agreement ("JVA") with Keloil Sdn Bhd ("KSB") to form an unincorporated joint-venture for the purpose of carrying out the business in the oil and gas industry via Keloil-PTT LPG Sdn Bhd ("KPL") and Erawan LMW Industries Sdn Bhd ("Erawan") ("Unincorporated JV"). KPL is an indirect subsidiary of KSB and Erawan is an associated company of KSB. Details of the unincorporated JV can be found from the Company's announcements dated 10 August 2012 and its updates on 14 August 2012 and 6 September 2012.

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

B6. CORPORATE PROPOSALS (Continued)

(d) The Company had on 10 June 2013 announced that the Company is proposing to undertake the following:-

1. Proposed par value reduction of the existing issued and paid-up share capital from RM140,406,793 comprising 702,033,964 ordinary shares of RM0.20 each in NICORP to RM70,203,396 comprising 702,033,964 ordinary shares of RM0.10 each in NICORP via the cancellation of RM0.10 from the par value of each existing ordinary RM0.20 each in NICORP pursuant to Section 64 the Companies Act, 1965 (“Act”) (“Proposed Par Value Reduction”);
2. Proposed renounceable rights issue of up to 702,033,964 new ordinary shares of RM0.10 each in NICORP (“Rights Shares”) together with up to 842,440,757 free detachable warrants (“Warrants”) at an issue price of RM0.10 per Rights Share after the Proposed Par Value Reduction on the basis of one (1) Rights Share for every one (1) ordinary share of RM0.10 each in NICORP (“NICORP Shares” or “Shares”) held together with six (6) Warrants for every five (5) Rights Shares subscribed at an entitlement date to be determined later (“Proposed Rights Issue with Warrants”);
3. Proposed acquisition of 2,000,000 fully paid-up ordinary shares of RM1.00 each in Lagenda Erajuta Sdn Bhd (“Lagenda”) representing 100.0% equity interest of Lagenda (“Sale Shares”) (“Proposed Acquisition”) for a total purchase consideration of RM39,000,000 (“Purchase Consideration”). The Company had on 10 June 2013 entered into a sale and purchase agreement (“SPA”) with Sagajuta (Sabah) Sdn Bhd (“Sagajuta”) and Titan Formation Sdn Bhd (“Titan”) (collectively, the “Vendors”) for the acquisition of 1,700,000 and 300,000 Sale Shares, respectively, to be satisfied via the following:-
 - i. The issuance of up to 350,000,000 new NICORP Shares at an issue price of RM0.10 each being the par value of the NICORP Shares, or equivalent to the thirty (30) days volume weighted average market price of NICORP Shares preceding the date of the SPA is declared unconditional, whichever shall be the higher (“30D-VWAP”) (“Consideration Shares”); and
 - ii. The issuance of up to 4,000,000 new redeemable preference shares of RM0.01 each in NICORP at an issue price of RM1.00 each (“RPS”),

under the terms and conditions of the SPA; and
4. Proposed amendments to the memorandum and articles of association of the Company to facilitate the Proposed Par Value Reduction and the issuance of the RPS under the Proposed Acquisition (“Proposed Amendments”).

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**

B6. CORPORATE PROPOSALS (Continued)

Details of the Proposals can be found from the Company's announcements made on 10 June 2013 and its updates dated 13 June 2013.

B7. BORROWINGS

	As at 30.06.2013 RM'000
Secured borrowings: -	
Payable within one year	3,337
Payable after one year	13,884
	<hr/> <u>17,221</u>

B8. CHANGES IN MATERIAL LITIGATION

As at 22 August 2013, there were no changes in material litigations, including the status of pending material litigations since the last annual balance sheet date at 31 December 2012.

B9. DIVIDENDS PAYABLE

No interim ordinary dividend has been declared for the financial period ended 30 June 2013 (30 June 2012: Nil).

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

B10. EARNINGS PER SHARE

	3 months ended		6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
Profit / (Loss) from continuing operations attributable to ordinary equity holders of the parent (RM'000)	(803)	(358)	(1,325)	(1,660)
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>(803)</u>	<u>(358)</u>	<u>(1,325)</u>	<u>(1,660)</u>
Weighted average number of Ordinary Shares in issue ('000)	702,034	702,034	702,034	702,034
Basic earnings per share (sen)	(0.11)	(0.05)	(0.19)	(0.24)
Diluted earnings per share (sen)	(0.11)	(0.05)	(0.19)	(0.24)

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**PART B – Explanatory Notes Pursuant to Appendix 9B of
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B11. DISCLOSURE OF REALISED AND UNREALISED PROFITS / LOSSES

	6 months ended 30.06.2013 RM'000	12 months ended 31.12.2012 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries:		
-Realised	(67,430)	(66,106)
-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	(67,430) (13,781)	(66,106) (13,780)
	<hr/>	<hr/>
Total group retained profits / (accumulated losses) as per consolidated accounts	(81,211)	(79,886)

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

B12. DISCLOSURE OF ADDITIONAL INFORMATION

	3 months ended 30.06.2013 RM'000	6 months ended 30.06.2013 RM'000
Interest income	3	6
Other income including investment income	-	-
Interest expenses	(306)	(633)
Depreciation and amortisation	(135)	(192)
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 29 August 2013