

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 2014. 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 2014.

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 2014.

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 2014 was not qualified by the Auditors of the Company.

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A5. SEGMENTAL INFORMATION

	3 months ended 31.03.2015 RM'000	3 months ended 31.03.2014 RM'000
Segment Revenue		
Investment holding	-	189
Timber extraction	-	-
Trading	901	-
Property management	22	824
Property development	-	-
Total revenue including inter-segment revenue	<u>923</u>	<u>1,013</u>
Elimination of inter-segment revenue	-	(189)
Total	<u>923</u>	<u>824</u>
Segment Results		
Investment holding	(968)	(324)
Timber extraction	(1)	(27)
Trading	115	(86)
Property management	(532)	(254)
Property development	(2)	(55)
	<u>(1,388)</u>	<u>(746)</u>
Income Tax Expense	1,455	-
Profit/ (loss) for the financial period	<u>67</u>	<u>(746)</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 2015.

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 extraction works of which are dependent upon the weather conditions at the place where the forest is located.

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A9. DIVIDENDS PAID

No interim ordinary dividend has been paid in the current financial period ended 31 March 2015 (31 March 2014: 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 2014.

A11. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale or repayments of debts and equity securities during the current 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 acquisition of 2 ordinary shares in Naim Indah Properties Sdn Bhd with a cash consideration of RM2 on 9 February 2015. Naim Indah Properties Sdn Bhd is a company incorporated in Malaysia with an authorized share capital of RM400,000 and issued and paid up capital of RM2 comprising of 2 ordinary shares of RM1 each fully paid up.

On 8 May 2015, the Company announced the acquisition of 2 ordinary shares of RM1.00 each representing 100% of the total issued and paid up share capital in Naim Indah City Developments Sdn. Bhd. (“NICD”), a company incorporated in Malaysia for a cash consideration of RM2.00 (“Acquisition of a wholly-owned subsidiary”). NICD was incorporated on 11 November 2014 with an authorised share capital of RM400,000.00 and issued and paid up share capital of RM2.00 comprising of 2 ordinary shares of RM1.00 each fully paid up. NICD is currently dormant and is intended to be principally involved in property management and development.

A13. DISCONTINUED OPERATION

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

A14. CAPITAL COMMITMENTS

There were no material changes in capital commitments since the previous quarter.

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A15. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material changes in contingent liabilities or contingent assets since the previous quarter.

A16. SUBSEQUENT EVENTS

Except of the Corporate Proposal, disclosed in note B6(i), approved by the shareholders in the Extraordinary General Meeting held on 17 April 2015, 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 2015, the Group's revenue was RM0.92 million compared to RM0.82 million in the preceding financial period ended 31 March 2014. The difference was mainly due to decrease in revenue from property management activities of RM0.8 million but compensated with the increase in revenue from trading activities of RM0.9 million.

The Group recorded a profit after tax of approximately RM67 thousand as compared to a loss after tax of approximately RM0.75 million for the corresponding preceding financial period ended 31 March 2014. The difference was mainly due to recognition of deferred tax asset of approximately RM1.46 million in the current financial period.

B2. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group's recorded a profit after tax of approximately RM67 thousand for the current quarter as compared to approximately RM9.23 million for the quarter ended 31 December 2014. The main reasons for the difference are:-

- (1) A provision of doubtful debts of approximately RM7 million from timber segment in quarter ended 31 December 2014; and
- (2) The recognition of deferred tax asset of approximately RM1.46 million in the current financial period.

B3. COMMENTARY ON PROSPECTS

The Group has secured the approval of shareholders to venture into project management, property investment, construction and renewal energy in the Extraordinary General Meeting (EGM) held on 17 April 2015 where these businesses will contribute substantially to the Group performance. Details of the outcome of EGM can be found from the Company's announcement made on 17 April 2015. The Group has secured RM18.0 million Project Management Contract from Lagenda Erajuta Sdn Bhd.

Barring any unforeseen circumstances, the Directors expect that they will be able to achieve better financial results of the Group in the coming current year as compared to previous year.

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(Incorporated in Malaysia)

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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		3 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	-	-	-	-
Over/(Under) provision of income tax in prior period	-	-	-	-
Deferred taxation	1,455	-	1,455	-
	<u>1,455</u>	<u>-</u>	<u>1,455</u>	<u>-</u>

B6. (i) CORPORATE PROPOSALS

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

(a) The Company had on 11 February 2015 announced that the Company is proposing to undertake the following: -

1. Proposed Award

The Proposed Award would provide an opportunity for the Company to participate in potentially visible development projects and potential foray in the property market in Klang, considering that Lagenda is the developer for the Gateway Klang project. The Board was also of the opinion that the Proposed Award will offer good mileage for the the Group in the long term given that the Gateway Klang project is a major property project and is located in the prime area of Klang, Selangor.

The Group is principally engaged in the business of property development and logging and selling round end timber logs, leasing and renting of property as well as trading of building materials. The Proposed Award will potentially provide NICORP with an additional stream of revenue and will also increase the Group's earnings base.

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B6. (i) CORPORATE PROPOSALS (Continued)

2. Proposed Diversification

The Group is principally engaged in the business of property development and logging and selling round end timber logs, leasing and renting of property as well as trading of building materials.

The Gateway Klang project provides a business opportunity for NICORP to diversify into project management business. Based on the preliminary estimated GDC of RM450.0 million where NICORP's total PMC fee is estimated to be RM18.0 million over a period of 28 months, the Board anticipates that the Group's venture into project management may contribute 25% or more of the net profit of the Group in the future from this project. In addition, the Board intends to diversify into the renewable energy business moving forward. Refer to Section 6.5 herein for further details. The Board also anticipates that construction, property development, property investment, project management and renewable energy activities will be major contributors to the Group's future earnings.

3. Proposed Share Issuance Scheme ("SIS")

The Proposed SIS will involve the granting of options to subscribe for new NICORP Shares ("SIS Options") to eligible Directors and employees of the NICORP Group (excluding dormant subsidiaries) who meet the criteria for eligibility for participation in the Proposed SIS ("Eligible Persons"), to subscribe for new NICORP Shares in accordance with the by-laws of the Proposed SIS ("By-Laws").

The Proposed SIS will be administered by a committee to be duly appointed and authorized by the Board ("Scheme Committee"). The decision as to whether or not to stagger the allocation of the SIS Options over the duration of the Proposed SIS will be determined by the Scheme Committee at a later date.

Details of the Proposals can be found from the Company's announcement made on 11 February 2015, 18 February 2015 and 31 March 2015.

On 17 April 2015, the Company announced that all the resolutions set out in the Notice of Extraordinary General Meeting (EGM) and tabled at the EGM held on 17 April 2015 were duly approved by the shareholders by show of hands.

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B6. (ii) PROCEEDS UTILISATION FROM PRIVATE PLACEMENT

Pursuant to the completion of the private placement exercise on 28 August 2014, the utilisations of the gross proceeds of RM8,424,360 raised from the Private Placement as at the date of this quarterly announcement are as follows:

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Intended Timeframe for Utilisation	Balance / (Deviation) (RM'000)	Note
Renovation of Shopping Mall	2,637	1,999	Within 12 mths	638	
Occupying a New Office	696	844	Within 12 mths	(148)	
Repayment of Borrowings/ Advances	2,075	1,798	Within 12 mths	277	
Working Capital	2,825	3,705	Within 12 mths	(880)	1
Exercise Expenses	192	79	Within 1 mth	113	
TOTAL	8,425	8,425		0	

Note 1: The utilisations of the RM3.7 million are as follows:-

Purposes	RM'000
1. Salaries, Wages & Contributions	1,335
2. Application & Website Development for the Group	500
3. Refund of deposit	403
4. Purchase of motor vehicles	193
5. Administrative expenses (e.g. Auditor, Company Secretary, Registrar, Bursa and etc)	1,274
TOTAL	3,705

B7. BORROWINGS

	As at 31.03.2015 RM'000
Secured borrowings: -	
Payable within one year	964
Payable after one year	13,912
	<u>14,876</u>

B8. CHANGES IN MATERIAL LITIGATION

There was no material litigation for the current financial period under review.

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the Listing Requirements of Bursa Malaysia Securities Berhad**

B9. DIVIDENDS PAYABLE

No interim ordinary dividend has been declared for the financial period ended 31 March 2015 (31 March 2014: Nil).

B10. EARNINGS PER SHARE

	3 months ended		3 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Profit / (Loss) attributable to ordinary equity holders of the parent (RM'000)	67	(746)	67	(746)
Weighted average number of Ordinary Shares in issue ('000)	772,237	702,034	772,237	702,034
Basic earnings per share (sen)	0.01	(0.11)	0.01	(0.11)
Diluted earnings per share (sen)	0.01	(0.11)	0.01	(0.11)

B11. DISCLOSURE OF REALISED AND UNREALISED PROFITS / LOSSES

	3 months ended	3 months ended
	31.03.2015	31.03.2014
	RM'000	RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries:		
-Realised	(20,427)	(26)
-Unrealised	1,455	-
	(18,972)	(26)
Less: Consolidation adjustments	(5,676)	(12,804)
Total group retained profits / (accumulated losses) as per consolidated accounts	(24,648)	(12,830)

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B12. DISCLOSURE OF ADDITIONAL INFORMATION

	3 months ended 31.03.2015 RM'000	3 months ended 31.03.2014 RM'000
Interest income	2	3
Other income including investment income	-	-
Interest expenses	(357)	(344)
Depreciation and amortisation	(95)	(38)
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
Dato' Siaw Swee Hin
Managing Director/ Group Chief Executive Officer

Dated this 28 May 2015