

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 are consistent with those of the audited financial statements for the year ended 31 December 2014 except for the adoption of the following Amendments and Annual improvements to Standards:

Effective for financial periods beginning on or after 1 January 2015:
Amendments to MFRS 119: Defined Benefits Plans - Employee Contribution
Annual Improvements to MFRSs 2010 - 2012 Cycle
Annual Improvements to MFRSs 2011 - 2013 Cycle

The adoption of the above standards, amendments and annual improvement do not have any significant financial impact to the Group's financial statements.

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

	6 months ended 30.06.2015 RM'000	6 months ended 30.06.2014 RM'000
Segment Revenue		
Trading	846	86
Project management consultancy	2,367	-
Property management	45	1,631
Investment holding	-	366
Total revenue including inter-segment revenue	<u>3,258</u>	<u>2,083</u>
Elimination of inter-segment revenue	-	(366)
Total	<u>3,258</u>	<u>1,717</u>
Segment Results		
Trading	40	1
Project management consultancy	2,185	-
Property management	(234)	342
Property development	(5)	(113)
Investment holding	(2,575)	(880)
Timber extraction	-	(53)
Total	<u>(589)</u>	<u>(703)</u>
Elimination of inter-segment	73	-
Segment results	<u>(516)</u>	<u>(703)</u>
Finance costs	(747)	(679)
Profit/ (loss) before taxation	<u>(1,263)</u>	<u>(1,382)</u>
Income Tax Expense	1,455	-
Profit/ (loss) for the financial period	<u>192</u>	<u>(1,382)</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 2015.

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 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 June 2015 (30 June 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

During the current quarter ended 30 June 2015, the Company issued 10,000,000 new ordinary shares at RM 0.10 each, for cash arising from exercise of Share Issuance Scheme at exercise price of RM 0.11 per ordinary share.

Other than the above, there were no issuances, cancellations, repurchases, resale or repayments of debts and equity securities for the current quarter ended 30 June 2015.

A12. CHANGES IN COMPOSITION OF THE GROUP

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.

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A12. CHANGES IN COMPOSITION OF THE GROUP (Continued)

Other than the above, there were no other material changes in the composition of the Group for the current quarter ended 30 June 2015

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.

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

There were no material events subsequent to the end of the reporting quarter that have not been reflected in the quarter under review.

A17. RELATED PARTY TRANSACTIONS

Except as disclosed below, there was no other related party transaction during the financial quarter ended 30 June 2015.

	3 months ended 30.06.2015 RM'000	6 months ended 30.06.2015 RM'000
Project Management Consultancy charged by Naim Indah Corporation Berhad to Lagenda Erajuta Sdn Bhd.	2,367	2,367

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

B1. PERFORMANCE REVIEW

For the current quarter financial period ended 30 June 2015, the Group's revenue was RM2.34 million compared to RM0.89 million in the preceding financial period ended 30 June 2014. The difference was mainly due to the increase in revenue from project management consultancy activities.

The Group recorded a profit after tax of approximately RM0.13 million as compared to a loss after tax of approximately RM0.64 million for the corresponding preceding financial period ended 30 June 2014. The difference was mainly due to better results from project management consultancy activities but the effect has been reduced due to higher administrative and operating expenses.

B2. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group's recorded a turnover of approximately RM2.34 million for the current quarter as compared to RM0.92 million for the preceding quarter ended 31 March 2015 due to revenue recognized from project management consultancy activities, but there is no such revenue in the preceding quarter ended 31 March 2015. The revenue of the preceding quarter ended 31 March 2015 was mainly derived from trading activities.

The profit after tax of approximately RM0.13 million for the current quarter as compared to profit after tax of approximately RM0.07 million for the preceding quarter ended 31 March 2015.

Higher profits were generated from project management consultancy activities in the current quarter.

B3. COMMENTARY ON PROSPECTS

The Directors are of the view that the project management consultancy activities is an important contributor to the Group's earnings. The Directors are in the process of exploring the full potential from this segment.

**PART B – Explanatory Notes Pursuant to Appendix 9B of
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B3. COMMENTARY ON PROSPECTS (Continued)

Also, once the refurbishment of the Seremban mall is completed and fully operational, the rental income receivable will contribute positively towards the revenue and cash flow to the Group.

Furthermore, the Group is actively identifying suitable business opportunities to venture into property investment, construction and renewal energy where these businesses are expected to contribute substantially to the Group performance.

Barring any unforeseen circumstances, the Directors expect to achieve better financial results of the Group in the current year as compared to previous 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.

B5. INCOME TAX EXPENSE

	3 months ended		6 months ended	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
	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	-

B6. CORPORATE PROPOSALS

There were no corporate proposals in the current quarter under review.

**PART B – Explanatory Notes Pursuant to Appendix 9B of
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B7. BORROWINGS

	As at 30.06.2015 RM'000
Secured borrowings: -	
Payable within one year	928
Payable after one year	13,645
	<u>14,573</u>

B8. CHANGES IN MATERIAL LITIGATION

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

B9. DIVIDENDS PAYABLE

No interim ordinary dividend has been declared for the financial period ended 30 June 2015 (30 June 2014: Nil).

B10. EARNINGS PER SHARE

	3 months ended		6 months ended	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Profit / (Loss) attributable to ordinary equity holders of the parent (RM'000)	126	(636)	193	(1,382)
Weighted average number of Ordinary Shares in issue ('000):-				
Issued ordinary shares at 1 January ('000)	772,237	702,034	772,237	702,034
Effect of new ordinary shares issued ('000)	5,452	-	5,452	-
Weighted average number of ordinary shares at 30 June ('000)	<u>777,689</u>	<u>702,034</u>	<u>777,689</u>	<u>702,034</u>
Basic earnings per share (sen)	<u>0.02</u>	<u>(0.09)</u>	<u>0.03</u>	<u>(0.20)</u>
Diluted earnings per share (sen)	<u>0.02</u>	<u>(0.09)</u>	<u>0.03</u>	<u>(0.20)</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**

B11. DISCLOSURE OF REALISED AND UNREALISED PROFITS / LOSSES

	6 months ended 30.06.2015 RM'000	12 months ended 31.12.2014 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries:		
-Realised	(20,375)	(19,039)
-Unrealised	1,455	-
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Less: Consolidation adjustments	(18,920) (5,602)	(19,039) (5,676)
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Total group retained profits / (accumulated losses) as per consolidated accounts	(24,522)	(24,715)

B12. DISCLOSURE OF ADDITIONAL INFORMATION

	6 months ended 30.06.2015 RM'000	6 months ended 30.06.2014 RM'000
Interest income	3	2
Interest expenses	(747)	(335)
Depreciation and amortisation	(195)	(37)
Impairment of Goodwill	(6)	-

By order of the Board
Dato' Siaw Swee Hin
Managing Director/ Group Chief Executive Officer

Dated this 27 August 2015