

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

The figures have not been audited.

	Note	3 months ended		9 months ended	
		30.09.2016 RM'000	30.09.2015 RM'000	30.09.2016 RM'000	30.09.2015 RM'000
Continuing Operations					
Revenue	A5	2,833	2,323	8,098	5,581
Cost of sales		(304)	(239)	(931)	(1,227)
Gross profit / (loss)		2,529	2,084	7,167	4,354
Other income		31,570	12	31,690	77
Administrative and other expenses		(2,027)	(1,343)	(5,369)	(4,194)
Finance cost		(436)	(348)	(1,126)	(1,095)
Share of results in associate		-	-	(12)	-
Profit / (Loss) before taxation	A5	31,636	405	32,350	(858)
Taxation	B5	(1,100)	-	(1,589)	1,455
Profit / (Loss) for the financial period		30,536	405	30,761	597
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial period		30,536	405	30,761	597
Profit / (Loss) attributable to:					
Equity holders of the parent		30,536	405	30,765	597
Minority interests		-	-	(4)	-
		30,536	405	30,761	597
Total comprehensive income attributable to:					
Equity holders of the parent		30,536	405	30,765	597
Minority interests		-	-	(4)	-
		30,536	405	30,761	597
Earnings per share attributable to equity holders of the parent:					
Basic, for profit / (loss) for the period (sen)	B10	3.52	0.05	3.56	0.08
Diluted, for profit / (loss) for the period (sen)	B10	N/A	N/A	N/A	N/A

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2016

The figures have not been audited.

	Note	As at 30.09.2016 RM'000	As at 31.12.2015 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	A10	1,718	2,007
Investment property	A10	140,000	70,000
Building-in-progress		-	21,198
Investment in an associate		-	316
Deferred Tax Assets		316	1,527
		<u>142,034</u>	<u>95,048</u>
Current Assets			
Trade receivables		8	739
Other receivables		543	375
Amount owing from related parties		1,908	735
Fixed deposits with licensed institution		251	230
Cash and bank balances		594	5,892
		<u>3,304</u>	<u>7,971</u>
TOTAL ASSETS		<u>145,338</u>	<u>103,019</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		86,346	86,346
Reserves		3,168	2,441
Retained earnings		7,489	(23,276)
Equity attributable to owners of the Company		<u>97,003</u>	<u>65,511</u>
Minority interest		(6)	(2)
Total equity		<u>96,997</u>	<u>65,509</u>
Non-current liabilities			
Long-term borrowings	B7	16,856	13,602
Amount due to director		8,082	8,082
		<u>24,938</u>	<u>21,684</u>
Current Liabilities			
Bank Overdraft	B7	2,911	3,000
Short-term borrowings	B7	1,017	1,093
Trade payables		137	137
Other payables		14,206	11,312
Amount due to director		5,022	-
Income tax payable		110	284
		<u>23,403</u>	<u>15,826</u>
Total Liabilities		<u>48,341</u>	<u>37,510</u>
TOTAL EQUITY AND LIABILITIES		<u>145,338</u>	<u>103,019</u>
Net assets per share (RM)		0.1123	0.0759

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

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

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

The figures have not been audited.

Note	<----- Attributable to Equity Holders of the Parent ----->					Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	SIS Options Reserve RM'000	Distributable			
				Retained Earnings RM'000	Total RM'000		
Balance as at 01.01.2015	77,224	1,404	-	(24,715)	53,913	75	53,988
Total comprehensive income for the financial period	-	-	-	1,439	1,439	(77)	1,362
<u>Transaction with owners:</u>							
Private Placement	7,822	-	-	-	7,822	-	7,822
Exercise of SIS Options	1,300	487	(387)	-	1,400	-	1,400
Vested	-	-	937	-	937	-	937
Total transaction with owners	9,122	487	550	-	10,159	-	10,159
Balance as at 31.12.2015	86,346	1,891	550	(23,276)	65,511	(2)	65,509
Balance as at 01.01.2016	86,346	1,891	550	(23,276)	65,511	(2)	65,509
Total comprehensive income for the financial period	-	-	-	30,765	30,765	(4)	30,761
<u>Transaction with owners:</u>							
Private Placement	-	-	-	-	-	-	-
Exercise of SIS Options	-	-	-	-	-	-	-
Vested	-	-	727	-	727	-	727
Total transaction with owners	-	-	727	-	727	-	727
Balance as at 30.09.2016	86,346	1,891	1,277	7,489	97,003	(6)	96,997

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

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

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

The figures have not been audited.

	9 months ended	
	30.09.2016	30.09.2015
	RM'000	RM'000
Net cash generated from / (used in) operating activities	(13,678)	(5,621)
Net cash generated from / (used in) investing activities	269	(1,285)
Net cash generated from / (used in) financing activities	8,200	6,778
Net increase / (decrease) in cash and cash equivalents	(5,209)	(128)
Cash and cash equivalents at beginning of financial period	2,892	(1,499)
Cash and cash equivalents at end of financial period	(2,317)	(1,627)

Cash and cash equivalents at the end of the financial period comprise the followings:

Cash and bank balances	594	836
Bank overdraft	(2,911)	(2,463)
	(2,317)	(1,627)

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

The figures have not been audited.

	9 months ended	
	30.09.2016	30.09.2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	32,350	(858)
Adjustments for:		
Depreciation	404	325
Bad debts recovered	(10)	-
Gain on disposal of Associate	(96)	-
Gain on fair value adjustment on investment property	(31,549)	-
Interest expense	1,126	1,095
Interest income	(5)	(5)
Impairment of Goodwill	-	6
Share Options to employees	727	329
Share of results in associate	12	-
Operating profit/ (loss) before working capital changes	2,959	892
(Increase) / Decrease in building-in-progress of investment property	(17,253)	(16,173)
(Increase) / Decrease in receivables	(600)	(1,753)
Increase / (Decrease) in payables	2,870	12,508
Cash generated from / (used in) operations	(12,024)	(4,526)
Tax paid	(552)	-
Interest paid	(1,102)	(1,095)
Net cash generated from / (used in) operating activities	(13,678)	(5,621)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant, property and equipment	(115)	(869)
Purchase of interest in an associate company	-	(400)
Proceed from disposal of an associate company	400	-
Increased in pledged deposits placed with licensed banks	(21)	(21)
Interest received	5	5
Net cash generated from / (used in) investing activities	269	(1,285)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	4,000	400
Repayment of borrowings	(822)	(520)
Advance from/ (repayment) to director	5,022	5,798
Proceeds from issuance of shares	-	1,100
Net cash generated from / (used in) financing activities	8,200	6,778
Net increase / (decrease) in cash and cash equivalents	(5,209)	(128)
Cash and cash equivalents as at 1 January	2,892	(1,499)
Cash and cash equivalents as at end of period	(2,317)	(1,627)
CASH AND CASH EQUIVALENTS COMPRISE: -		
Cash and bank balances	594	836
Bank overdraft	(2,911)	(2,463)
	(2,317)	(1,627)

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

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 2015. 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 2015.

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 2015 except for the adoption of the following Amendments and Annual improvements to Standards:

Effective for financial periods beginning on or after 1 January 2016:

Annual Improvements to FRSs 2012 - 2014 Cycle

Amendments to FRS 10, FRS 12, FRS 128: Investment Entities: Applying the Consolidation Exception

Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to FRS 101: Disclosure Initiatives

Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to FRS 127: Equity Method in Separate Financial Statements

FRS 14 Regulatory Deferral Accounts

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 2015 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

Period ended	Project Management Consultancy RM'000	Investment Property RM'000	Trading RM'000	Investment Holding And Others RM'000	Eliminations RM'000	Group RM'000
30 September 2016						
<u>Revenue</u>						
External Revenue	8,010	88	-	-	-	8,098
Inter Segment Revenue	-	-	-	-	-	-
Total Segment Revenue	8,010	88	-	-	-	8,098
<u>Results</u>						
Segment Results	7,079	30,668	-	(5,071)	812	33,488
Finance Costs						(1,126)
Share of associate's result						(12)
Profit/ (loss) before taxation						32,350
Taxation						(1,589)
Net profit/ (loss) after taxation						30,761

Period ended	Project Management Consultancy RM'000	Investment Property RM'000	Trading RM'000	Investment Holding And Others RM'000	Eliminations RM'000	Group RM'000
30 September 2015						
<u>Revenue</u>						
External Revenue	4,668	67	846	-	-	5,581
Inter Segment Revenue	-	-	-	-	-	-
Total Segment Revenue	4,668	67	846	-	-	5,581
<u>Results</u>						
Segment Results	4,248	(444)	40	(3,686)	79	237
Finance Costs						(1,095)
Profit/ (loss) before taxation						(858)
Taxation						1,455
Net profit/ (loss) after taxation						597

Part A – Explanatory Notes Pursuant to FRS 134

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 September 2016.

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 affected by any seasonal or cyclical factors during the quarter under review.

A9. DIVIDENDS PAID

No interim ordinary dividend has been paid in the current financial period ended 30 September 2016 (30 September 2015: 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 2015.

A11. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale or repayments of debts and equity securities for the current quarter ended 30 September 2016.

A12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current financial quarter.

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.

Part A – Explanatory Notes Pursuant to FRS 134

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, other than as disclosed.

- (i) On 20 October 2016, the Company announced the acquisition of two (2) ordinary shares of RM1.00 each representing 100% of the total issued and paid up share capital in Naim Indah Creative & Communications Sdn Bhd (“NICCSB”) also formerly known as Pedoman Nusantara Sdn Bhd, a company incorporated in Malaysia for a cash consideration of RM2.00. As a result, NICCSB became a wholly-owned subsidiary of the Company. NICCSB was incorporated in Malaysia on 5 April 2016 with an authorised share capital of 400,000 and issued and paid up share capital of RM2.00 comprising of two (2) ordinary shares of RM1.00 each fully paid up; and
- (ii) On 26 October 2016, the Company announced the acquisition of two (2) ordinary shares of RM1.00 each representing 100% of the total issued and paid up share capital in Naim Indah Energy Sdn Bhd (“NIESB”), a company incorporated in Malaysia for a cash consideration of RM2.00. As a result, NIESB became a wholly-owned subsidiary of the Company. NIESB was incorporated in Malaysia on 11 November 2014 with an authorised share capital of 400,000 and issued and paid up share capital of RM2.00 comprising of two (2) ordinary shares of RM1.00 each fully paid up.

A17. RELATED PARTY TRANSACTIONS

Except as disclosed below, there was no other related party transaction during the financial quarter ended 30 September 2016.

	3 months ended 30.09.2016 RM'000	9 months ended 30.09.2016 RM'000
Project Management Consultancy services rendered to related parties	2,790	8,010
Rental income received from a related party	-	9

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 September 2016, the Group's revenue was RM2.83 million as compared to RM2.32 million in the preceding financial period ended 30 September 2015. Revenue increased was mainly due to revenue recognized from project management consultancy activities based on the consultancy service rendered was higher as compared to the preceding financial period ended 30 September 2015.

The Group recorded a profit before tax of approximately RM31.64 million as compared to a profit before tax of approximately RM0.41 million for the corresponding preceding financial period ended 30 September 2015. The increase mainly due to the fair value gain of RM31.55 million on an investment property. With the exclusion of the fair value gain, the current financial period would reflect a lower operating profit due to higher operating cost incurred in investment property segment as compared to preceding financial period ended 30 September 2015.

B2. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group's recorded a turnover of approximately RM2.83 million for the current quarter as compared to RM2.93 million for the preceding quarter ended 30 June 2016 due to the amount of works certified for project management consultancy services provided in current quarter was lower as compared to preceding quarter 30 June 2016.

The profit after tax of approximately RM30.54 million for the current quarter increased as compared to profit after tax approximately RM0.12 million for the preceding quarter ended 30 June 2016. The increase mainly due to fair value gain of RM31.55 million on an investment property and partly mitigated with reversal of deferred tax in current quarter.

B3. COMMENTARY ON PROSPECTS

The refurbishment and upgrading of the Seremban mall had been completed and commenced operation at the end of September 2016 whereby the tenants are currently renovating the rented retail. The upgraded mall are expected to improve the rental income and contribution towards the revenue as the occupancy rate is gradually increasing.

Moving forward, The Group is identifying a factory to undertake its manufacturing of biomass products. Surveys are being carried out to determine a suitable location to carry out the manufacturing activities.

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

B3. COMMENTARY ON PROSPECTS (Continued)

Meanwhile, the Group is persistently identifying suitable business opportunities to venture into property investment, construction and other feasible development project, where these businesses are expected to contribute positively to the Group performance.

Barring any unforeseen circumstances, the Directors expect to achieve better financial results of the Group in the coming years 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		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	-	-	(378)	-
Deferred taxation	(1,100)	-	(1,211)	1,455
	<u>(1,100)</u>	<u>-</u>	<u>(1,589)</u>	<u>1,455</u>

The Group effective tax rate is lower than the statutory tax rate, primarily due to unabsorbed tax losses brought forward utilize against profits made by the Group.

B6. CORPORATE PROPOSALS

There were no corporate proposals in the current quarter under review except for the following:

PROCEEDS UTILISATION FROM PRIVATE PLACEMENT

Pursuant to the completion of the private placement exercise on 2 December 2015, the utilisations of the gross proceeds of RM7,822,300 raised from the Private Placement as at the date of this quarterly announcement are as follows:

NAIM INDAH CORPORATION BERHAD (19727-P)
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PART B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B6. CORPORATE PROPOSALS (Continued)

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Intended Timeframe for Utilisation	Balance / (Deviation) (RM'000)	%	Note
Renovation of Shopping Mall	2,968	3,092	Within 6 mths	(124)	4	
Repayment of Bank Borrowings	2,160	2,044	Within 12 mths	116	-	
Working Capital	2,614	2,614	Within 12 mths	-	-	1
Exercise Expenses	80	72	Within 1 mth	8	-	
TOTAL	7,822	7,822		-		

Note 1: The utilisations of the RM2.6 million are as follows:-

<u>Purpose</u>	RM'000
1. Salaries, Wages & Contributions	1,162
2. Administrative expenses (e.g. Professional fees, AGM expenses, quit rent & assessment, rental and etc)	1,452
TOTAL	2,614

B7. BORROWINGS

	As at 30.09.2016 RM'000
Short-term borrowings:-	
-Secured	3,928
-Unsecured	-
	<u>3,928</u>
Long-term borrowings:-	
-Secured	12,856
-Unsecured	4,000
	<u>16,856</u>
Total Borrowings	<u>20,784</u>

NAIM INDAH CORPORATION BERHAD (19727-P)
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PART B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B7. BORROWINGS (Continued)

	As at 30.09.2016 RM'000
Bank overdraft	2,911
Hire purchase	553
Term loans	13,320
Loan	4,000
Total	<u>20,784</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 September 2016 (30 September 2015: Nil).

B10. EARNINGS PER SHARE

Basic EPS	3 months ended		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
Profit / (Loss) attributable to ordinary equity holders of the parent (RM'000)	30,356	405	30,761	597
Weighted average number of Ordinary Shares in issue ('000)	863,460	772,237	863,460	772,237
Effect of new ordinary shares issued ('000)	-	5,452	-	5,452
Adjusted weighted average number of ordinary shares ('000)	863,460	777,689	863,460	777,689
Basic earnings per share (sen)	3.52	0.05	3.56	0.08

The diluted earnings per share was not presented as there is anti-dilutive effect arising from the assumed conversion of the SIS.

NAIM INDAH CORPORATION BERHAD (19727-P)
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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

	9 months ended 30.09.2016	9 months ended 30.09.2015
Total retained profits / (accumulated losses) of the Company and its subsidiaries:		
-Realised	6,373	(19,984)
-Unrealised	316	1,455
Total share of profit / (loss) from associate		
-Realised	(12)	-
-Unrealised	-	-
	<hr/> 6,677	<hr/> (18,529)
Less: Consolidation adjustments	812	(5,590)
	<hr/> 7,490	<hr/> (24,119)
Total group retained profits / (accumulated losses) as per consolidated accounts	<hr/> <hr/> 7,490	<hr/> <hr/> (24,119)

B12. DISCLOSURE OF ADDITIONAL INFORMATION

	9 months ended 30.09.2016 RM'000	9 months ended 30.09.2015 RM'000
Interest income	5	5
Interest expenses	(1,126)	(1,095)
Impairment on goodwill	-	(6)
Depreciation and amortization	(404)	(325)
Realised loss on foreign exchange	(3,484)	-
Bad debt recovered	10	-
Gain on disposal of associate	96	-
Gain on fair value adjustment on investment property	31,549	-

By order of the Board
Dated this 21 November 2016