

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2017

The figures have not been audited.

	Note	3 months ended		6 months ended	
		30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
Continuing Operations					
Revenue	A5	3,646	2,933	6,703	5,265
Cost of sales		(786)	(324)	(1,701)	(627)
Gross profit / (loss)		2,860	2,609	5,002	4,638
Other income		1	11	4	120
Administrative and other expenses		(2,066)	(1,670)	(3,689)	(3,342)
Finance cost		(413)	(343)	(829)	(690)
Share of results in associate		-	-	-	(12)
Profit / (Loss) before taxation	A5	382	607	488	714
Taxation	B5	(250)	(489)	(250)	(489)
Profit / (Loss) for the financial period		132	118	238	225
Other comprehensive income		-	-	-	-
Total comprehensive income/ (expenses) for the financial period		132	118	238	225
Profit / (Loss) attributable to:					
Equity holders of the parent		133	121	239	229
Minority interests		(1)	(3)	(1)	(4)
		132	118	238	225
Total comprehensive income/ (expenses) attributable to:					
Equity holders of the parent		133	121	239	229
Minority interests		(1)	(3)	(1)	(4)
		132	118	238	225
Earnings per share attributable to equity holders of the parent:					
Basic, for profit / (loss) for the period (sen)	B10	0.02	0.01	0.03	0.03
Diluted, for profit / (loss) for the period (sen)	B10	0.02	0.01	0.03	0.03

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 JUNE 2017

The figures have not been audited.

	Note	As at 30.06.2017 RM'000	As at 31.12.2016 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	A10	1,355	1,630
Investment property	A10	120,000	120,000
Deferred Tax Assets		-	250
		<u>121,355</u>	<u>121,880</u>
Current Assets			
Trade receivables		1	10
Other receivables		348	530
Amount owing from related parties		2,758	3,859
Fixed deposits with licensed institution		252	251
Cash and bank balances		79	77
		<u>3,438</u>	<u>4,727</u>
TOTAL ASSETS		<u>124,793</u>	<u>126,607</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		86,346	86,346
Reserves		3,414	3,280
Accumulated losses		(14,374)	(14,613)
Equity attributable to owners of the Company		<u>75,386</u>	<u>75,013</u>
Minority interest		(7)	(6)
Total Equity		<u>75,379</u>	<u>75,007</u>
Non-Current Liabilities			
Long-term borrowings	B7	17,078	17,419
Amount due to a director		11,914	13,018
Deferred tax liabilities		2,251	2,251
		<u>31,243</u>	<u>32,688</u>
Current Liabilities			
Bank Overdraft	B7	2,825	2,880
Short-term borrowings	B7	1,174	1,176
Trade payables		147	137
Other payables		13,981	14,675
Income tax payable		44	44
		<u>18,171</u>	<u>18,912</u>
TOTAL LIABILITIES		49,414	51,600
TOTAL EQUITY AND LIABILITIES		<u>124,793</u>	<u>126,607</u>
Net assets per share (RM)		0.0873	0.0869

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 JUNE 2017

The figures have not been audited.

	←----- Attributable to Equity Holders of the Parent ----->					Minority Interest	Total Equity
Note	Share Capital RM'000	Share Premium RM'000	SIS Options Reserve RM'000	Distributable Accumulated Losses RM'000	Total RM'000	RM'000	RM'000
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	-	-	-	229	229	(4)	225
<u>Transaction with owners:</u>							
Vested	-	-	570	-	570	-	570
Total transaction with owners	-	-	570	-	570	-	570
Balance as at 30.06.2016	86,346	1,891	1,120	(23,047)	66,310	(6)	66,304
Balance as at 01.01.2017	86,346	1,891	1,389	(14,613)	75,013	(6)	75,007
Total comprehensive income for the financial period	-	-	-	239	239	(1)	238
<u>Transaction with owners:</u>							
Vested	-	-	134	-	134	-	134
Total transaction with owners	-	-	134	-	134	-	134
Balance as at 30.06.2017	86,346	1,891	1,523	(14,374)	75,386	(7)	75,379

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 JUNE 2017

The figures have not been audited.

	6 months ended	
	30.06.2017	30.06.2016
	RM'000	RM'000
Net cash generated from / (used in) operating activities	1,711	(11,080)
Net cash generated from / (used in) investing activities	(1)	367
Net cash generated from / (used in) financing activities	(1,653)	5,394
Net increase / (decrease) in cash and cash equivalents	57	(5,319)
Cash and cash equivalents at beginning of financial period	(2,803)	2,892
Cash and cash equivalents at end of financial period	(2,746)	(2,427)

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

Cash and bank balances	79	538
Bank overdraft	(2,825)	(2,965)
	(2,746)	(2,427)

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 JUNE 2017

The figures have not been audited.

	6 months ended	
	30.06.2017	30.06.2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	488	714
Adjustments for:		
Depreciation	279	268
Gain on disposal of Associate	-	(96)
Interest expense	829	690
Interest income	(4)	(4)
Impairment loss on trade receivables	5	13
Share Options to employees	134	570
Share of results in associate	-	12
	<hr/>	<hr/>
Operating profit/ (loss) before working capital changes	1,731	2,167
(Increase) / Decrease in building-in-progress of investment property	-	(5,982)
(Increase) / Decrease in receivables	1,287	(302)
Increase / (Decrease) in payables	(684)	(6,193)
	<hr/>	<hr/>
Cash generated from / (used in) operations	2,334	(10,310)
Tax paid	-	(80)
Interest paid	(623)	(690)
	<hr/>	<hr/>
Net cash generated from / (used in) operating activities	1,711	(11,080)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant, property and equipment	(4)	(16)
Proceed from disposal of an associate company	-	400
Increased in pledged deposits placed with licensed banks	(1)	(21)
Interest received	4	4
	<hr/>	<hr/>
Net cash generated (used in)/ from investing activities	(1)	367
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(549)	(631)
Advance from/ (repayment to) director	(1,104)	6,025
	<hr/>	<hr/>
Net cash generated (used in)/ from financing activities	(1,653)	5,394
Net increase/ (decrease) in cash and cash equivalents	57	(5,319)
Cash and cash equivalents as at 1 January	(2,803)	2,892
	<hr/>	<hr/>
Cash and cash equivalents as at end of period	(2,746)	(2,427)
CASH AND CASH EQUIVALENTS COMPRISE: -		
Cash and bank balances	79	538
Bank overdraft	(2,825)	(2,965)
	<hr/>	<hr/>
	(2,746)	(2,427)

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2016. 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 2016.

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 2016 except for the adoption of the following Amendments and Annual improvements to Standards:

Effective for financial periods beginning on or after 1 January 2017:

Annual Improvements to FRSs 2014 - 2016 Cycle
Amendments to FRS 107: Statement of Cash Flows - Disclosure Initiative
Amendments to FRS 112: Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses

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 2016 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

Year ended 30 June 2017	Project Management Consultancy RM'000	Investment Property RM'000	Investment Holding And Others RM'000	Eliminations RM'000	Group RM'000
<u>Revenue</u>					
External Revenue	6,610	93	-	-	6,703
Inter Segment Revenue	10	-	-	(10)	-
Total Segment Revenue	6,620	93	-	(10)	6,703
<u>Results</u>					
Segment Results	5,757	(1,301)	(3,148)	9	1,317
Finance Costs					(829)
Share of associate's result					-
Profit/ (Loss) before taxation					488
Taxation					(250)
Net profit/ (loss) after taxation					238

Year ended 30 June 2016	Project Management Consultancy RM'000	Investment Property RM'000	Investment Holding And Others RM'000	Eliminations RM'000	Group RM'000
<u>Revenue</u>					
External Revenue	5,220	45	-	-	5,265
Inter Segment Revenue	-	-	-	-	-
Total Segment Revenue	5,220	45	-	-	5,265
<u>Results</u>					
Segment Results	4,593	(411)	(3,562)	796	1,416
Finance Costs					(690)
Share of associate's result					(12)
Profit/ (Loss) before taxation					714
Taxation					(489)
Net profit/ (loss) after taxation					225

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

Part A – Explanatory Notes Pursuant to FRS 134

A5. SEGMENTAL INFORMATION (Continued)

As at 30 June 2017	Project Management Consultancy RM'000	Investment Property RM'000	Investment Holding And Others RM'000	Eliminations RM'000	Group RM'000
Total segment assets	34,193	121,120	52,271	(82,791)	124,793
Unallocated asset:					
- Deferred tax assets	-	-	-	-	-
Total assets	34,193	121,120	52,271	(82,791)	124,793
Total Segment liabilities	4,956	51,364	2,420	(32,698)	26,042
Unallocated liabilities:					
- Hire purchase	-	-	-	-	455
- Term loans	-	-	-	-	17,797
- Bank overdraft	-	-	-	-	2,825
- Deferred tax liabilities	-	-	-	-	2,251
- Current tax liabilities	-	-	-	-	44
Total liabilities	4,956	51,364	2,420	(32,698)	49,414

As at 30 June 2016	Project Management Consultancy RM'000	Investment Property RM'000	Investment Holding And Others RM'000	Eliminations RM'000	Group RM'000
Total segment assets	23,981	98,557	52,376	(73,052)	101,862
Unallocated asset:					
- Deferred tax assets	-	-	-	-	1,416
Total assets	23,981	98,557	52,376	(73,052)	103,278
Total Segment liabilities	4,959	35,416	2,457	(22,997)	19,835
Unallocated liabilities:					
- Hire purchase	-	-	-	-	585
- Term loans	-	-	-	-	13,479
- Bank overdraft	-	-	-	-	2,965
- Deferred tax liabilities	-	-	-	-	-
- Current tax liabilities	-	-	-	-	110
Total liabilities	4,959	35,416	2,457	(22,997)	36,974

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 June 2017.

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 dividend has been paid in the current financial period ended 30 June 2017 (30 June 2016: 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 2016.

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 June 2017.

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.

Part A - Explanatory Notes Pursuant to FRS 134

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 2017.

	3 months ended 30.06.2017 RM'000	6 months ended 30.06.2017 RM'000
Project Management Consultancy services rendered to related parties	3,600	6,510
Marketing Project Management Consultancy services rendered to related parties	-	100

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

B1. PERFORMANCE REVIEW

	Individual Period (2 nd Quarter)		Changes (%)	Cumulative Period (2 nd Quarter)		Changes (%)
	Current Quarter	Preceding Year Corresponding Quarter		Current Year To- date	Preceding Year Corresponding Period	
	30.06.17	30.06.16		30.06.17	30.06.16	
	RM'000	RM'000		RM'000	RM'000	
Revenue	3,646	2,933	24	6,703	5,265	27
Profit Before Interest and Tax ("PBIT")	795	950	(16)	1,317	1,416	(7)
Profit Before Tax ("PBT")	382	607	(37)	488	714	(32)
Profit After Tax ("PAT")	132	118	12	238	225	6
Profit/ (Loss) attributable to Ordinary Equity Holders of the Parent	133	121	10	239	229	4

Review of results for the current quarter

For the current quarter financial period ended 30 June 2017, the Group's registered a revenue of RM3.65 million, PBIT of RM 0.80 million and PBT of RM 0.38 million as compared to a revenue of RM2.93 million, PBIT of RM 0.95 million and PBT of RM 0.61 million in the preceding quarter financial period ended 30 June 2016.

Commentary on revenue

The Group recorded a higher revenue for the current quarter, mainly due to revenue contributed from project management consultancy activities, based on the consultancy service rendered was higher compared to the preceding quarter financial period ended 30 June 2016.

Commentary on PBIT/ PBT

The Group PBIT and PBT for the current quarter financial period was lower than the preceding quarter financial period. The lower in PBIT and PBT was mainly due to higher operating cost incurred in the investment property segment and provisional of corporate exercise expenses in current quarter.

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

B1. PERFORMANCE REVIEW (Continued)

Review of results for the financial period ended 30 June 2017

The Group's registered a revenue of RM6.70 million, PBIT of RM 1.32 million and PBT of RM 0.49 million for the financial period ended 30 June 2017 as compared to a revenue of RM5.27 million, PBIT of RM 1.42 million and PBT of RM 0.71 million in the preceding financial period ended 30 June 2016.

Commentary on revenue

The Group recorded a higher revenue for the financial period under review, mainly due to revenue contributed from project management consultancy activities, based on the consultancy service rendered was higher compared to the preceding financial period ended 30 June 2016.

Commentary on PBIT/ PBT

The Group PBIT and PBT for the financial period was lower than the preceding financial period. The lower in PBIT and PBT was mainly due to higher operating cost incurred in the investment property segment and provisional of corporate exercise expenses for the financial period ended 30 June 2017.

B2. COMMENTS ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	30.06.17	31.03.17	
	RM'000	RM'000	
Revenue	3,646	3,057	19
Profit Before Tax	382	106	260

The Group's recorded a revenue of approximately RM3.65 million for the current quarter as compared to RM3.06 million for the preceding quarter financial period ended 31 March 2017. The increase in revenue was mainly due to the revenue recognized from project management consultancy activities, based on the consultancy service rendered was higher compared to the preceding quarter financial period ended 31 March 2017.

The profit before taxation is approximately RM0.38 million for the current quarter as compared to a profit before taxation approximately RM0.11 million for the preceding quarter financial period ended 31 March 2017. The profit before taxation was higher in current quarter mainly due to increase in revenue but reduced by higher overall operating cost.

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

B3. COMMENTARY ON PROSPECTS

The property market is expected to remain modest in the remaining 2017. However, the Group will continue to look for more Project Management Consultancy contracts to remain profitable.

The remaining 2017 and forthcoming 2018, the retail market is expected to be challenging. Furthermore, filling up the Mall remaining vacancies remain a challenge as many options available in the market and attractive rent offer by competitor to seize potential tenants. Therefore, more marketing effort would be held to attract more potential tenants. The Management will continue to seek improvement in occupancy rate and manage its operational cost effectively.

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 operating financial results of the Group in the coming 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	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	-	(378)	-	(378)
Deferred taxation	(250)	(111)	(250)	(111)
	<u>(250)</u>	<u>(489)</u>	<u>(250)</u>	<u>(489)</u>

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

B6. CORPORATE PROPOSALS

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

B7. BORROWINGS

	As at 30.06.2017 RM'000	As at 30.06.2016 RM'000
Denominated in Ringgit Malaysia:-		
Short-term borrowings:-		
<u>-Secured</u>		
- Bank overdraft	2,825	2,965
- Hire purchase	139	131
- Term loans	1,035	928
	3,999	4,024
 Long-term borrowings:-		
<u>-Secured</u>		
- Hire purchase	316	454
- Term loans	11,626	12,551
 <u>-Unsecured</u>		
- Term loans	5,136	-
	17,078	13,005
 Total Borrowings	21,077	17,029
 Denominated in Ringgit Malaysia:-		
	As at 30.06.2017 RM'000	As at 30.06.2016 RM'000
Bank overdraft	2,825	2,965
Hire purchase	455	585
Term loans	17,797	13,479
Total	21,077	17,029

- Unsecured term loans are loan from a financial institution related to a Director

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

B8. CHANGES IN MATERIAL LITIGATION

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

B9. DIVIDENDS PAYABLE

No interim dividend has been declared for the financial period ended 30 June 2017 (30 June 2016: Nil).

B10. EARNINGS PER SHARE

Basic EPS	3 months ended		6 months ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Profit / (Loss) attributable to ordinary equity holders of the parent (RM'000)	133	121	239	229
Weighted average number of Ordinary Shares in issue ('000)	863,460	863,460	863,460	863,460
Basic earnings per share (sen)	0.02	0.01	0.03	0.03

The effect of potential ordinary shares arising from the conversion of SIS is anti-dilutive and accordingly, they have been ignored in the calculation of dilutive earnings per share. As a result, the diluted earnings per ordinary shares is the same as basic earnings per share.

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 30.06.2017	6 months ended 30.06.2016
Total retained profits / (accumulated losses) of the Company and its subsidiaries:		
-Realised	3,664	(8,494)
-Unrealised	(2,251)	1,416
Total share of loss from associate		
-Realised	-	(12)
-Unrealised	-	-
	<hr/> 1,413	<hr/> (7,090)
Less: Consolidation adjustments	(15,787)	(15,957)
	<hr/>	<hr/>
Total group retained profits / (accumulated losses) as per consolidated accounts	<hr/> (14,374)	<hr/> (23,047)

B12. DISCLOSURE OF ADDITIONAL INFORMATION

	6 months ended 30.06.2017 RM'000	6 months ended 30.06.2016 RM'000
Interest income	4	4
Interest expenses	(829)	(690)
Impairment loss on trade receivables	(5)	(13)
Depreciation and amortization	(279)	(268)
Gain on disposal of associate	-	96

By order of the Board
Dated this 28 August 2017