

NAIM INDAH CORPORATION BERHAD

(Incorporated in Malaysia)

Company No : 19727 - P

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012****13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)**

	THE GROUP		THE COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Represented by:-				
Non-Current	-	8,068	3,286	10,151
Current	104	1,519	43	2,410
	<u>104</u>	<u>9,587</u>	<u>3,329</u>	<u>12,561</u>

(a) Investment and advances to joint venture projects**(i) Joint venture with Creative Springs Sdn. Bhd. ("CSSB")**

In 2006, the Company entered into a joint venture agreement ("principal agreement") with CSSB, a company incorporated in Malaysia, to form an unincorporated joint venture, known as NICORP-CREATIVE JV, to jointly construct 139 units of shop office in Kota Bahru, Kelantan Darul Naim. The salient terms of the joint venture agreement dated 9 November 2006 are as follows:-

- (i) the Company was required to provide an advance of RM2.5 million and a bridging loan of not more than RM4.0 million as working capital for the property development project; and
- (ii) the Company is entitled to share 50% of the risks and rewards arising therefrom.

Subsequently, there was a supplemental agreement with CSSB dated 25 February 2008 which stated that:-

- (i) the scope of the JV be reduced from the construction of 139 units of shop office to 71 units of shop office; and
- (ii) the Group acquired 68 units of shop office together with the infrastructure work already done on an 'as-is-where-is' basis from CSSB at the purchase consideration of RM12 million and the Company shall at its own cost, continue to complete the construction of 68 units in accordance with the approved plan.

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On 3 February 2012, the Group had entered into a second supplemental agreement with CSSB which stated that:-

- (i) the initial sum of RM6.5 million shall be treated as investment made and paid by the Company to NICORP-CREATIVE JV and shall be recouped by the Company as and when NICORP-CREATIVE JV is profitable;
- (ii) notwithstanding any terms to the contrary stipulated in the principal agreement, the Company shall not be obligated to advance any further monies to NICORP-CREATIVE JV;
- (iii) the Company's participation in the joint venture as contemplated there is strictly on an investment basis. The Company shall not contribute, involve or participate in any administrative or operational matters of NICORP-CREATIVE JV or any policy making, decision or any other aspects of NICORP-CREATIVE JV and the Company shall be absolved from any duties, obligations or responsibilities incidental to or arising from these matters;
- (iv) the obligation of the Company to provide all management and technical expertise to NICORP-CREATIVE JV is hereby waived and removed;
- (v) the Company is entitled to share 60% of the risks and rewards arising therefrom.
- (vi) grants to CSSB an exclusive right, authority and power to build 68 units of shop office already acquired by the Company and develop the shop office land in accordance with the layout plan or such amendment thereto as may be approved by the appropriate authorities subject to the terms and conditions hereinafter set forth at CSSB's own costs and expenses;
- (vii) assigns absolutely to CSSB the option, namely the benefit of right to build and sell the remaining 68 units of the shop office together with the infrastructure work already done on an "as-is-where-is" basis in relation to NICORP-CREATIVE JV; and

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(a) Investment and advances to joint venture projects (Cont'd)

(i) *Joint venture with Creative Springs Sdn. Bhd. ("CSSB") (Cont'd)*

- (viii) grants to CSSB the exclusive and sole right to sell, transfer or dispose of or deal with the said units to the purchasers at such price as may be determined by CSSB absolutely and to enter into sale and purchase agreement with each of the purchasers of the said units subjects to the terms and conditions stipulated hereunder.

The Group and Company's share of the revenue, income and expenses from NICORP-CREATIVE JV are as follows:

	THE GROUP/THE COMPANY	
	2012	2011
	RM'000	RM'000
Share of revenue	-	40
Share of property development costs	-	(296)
Share of administrative and other expenses	-	(187)
Share of loss	-	(443)

During the financial year, the directors have assessed the recoverable amount of the investment and advances to NICORP-CREATIVE JV based on the second supplementary agreement and other available related information and determined that an impairment loss should be recognised as the recoverable amount is lower than the carrying amount.

(ii) *Joint venture with Noble Residence Sdn. Bhd. ("NRSB")*

The Company entered into a joint venture agreement dated 24 December 2007 with NRSB, a company incorporated in Malaysia, to form an unincorporated joint venture, known as NICORP-NOBLE JV, to jointly develop a piece of land in Kota Bahru, Kelantan Darul Naim, into a new township comprising a hypermarket, hotel and shops. Pursuant to the joint venture agreement, the Company is required to invest RM6.6 million for the entire development and is entitled to share 70% of the risks and rewards arising therefrom. NICORP-NOBLE JV is in the process of procuring the necessary approvals from the relevant authorities for the new township.

Subsequently, on 3 February 2012, the Company entered into a termination agreement with NRSB to terminate the NICORP-NOBLE JV with immediate effect.

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The amount owing by subsidiaries is non-trade in nature, unsecured and repayable on demand. The amount owing is interest-free except for an amount owing to a subsidiary of approximately RM3,286,000 (2011 – RM3,039,000) which bears an interest rate of 4.60% (2011 – 4.51%) per annum.

14. ASSET HELD FOR SALE

	THE GROUP	
	2012 RM'000	2011 RM'000
At 1 January	828	-
Transfer from property development costs (Note 10)	-	828
Additional cost incurred during the financial year	150	-
Disposal during the financial year	(978)	-
At 31 December	-	828

On 22 December 2011, a subsidiary was authorised to dispose of certain freehold land measuring 0.063 acres for a total cash consideration of RM1,450,000. The subsidiary had, on 18 January 2012, entered into a Sale and Purchase Agreement with a third party for the disposal of the said property.

15. FIXED DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The fixed deposits with licensed financial institutions of the Group are pledged as security for banking facilities granted to a subsidiary.

The fixed deposits bore effective interest rates ranging from 2.75% to 3.10% (2011 - 2.85% to 3.15%) per annum at the end of the reporting period. The fixed deposits have average maturity periods ranging from 30 to 365 days (2011 - 30 to 365 days).

16. CASH AND BANK BALANCES

Included in cash and bank balances of the Group is an amount of RM226,089 (2011 - RM20,902) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 which cannot be used for other operations.

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	THE COMPANY			
	2012 NUMBER OF SHARES ('000)	2011 NUMBER OF SHARES ('000)	2012 RM'000	2011 RM'000
ORDINARY SHARES OF RM0.20 EACH:				
Authorised	2,500,000	2,500,000	500,000	500,000
Issued and fully paid	702,034	702,034	140,407	140,407

18. LONG-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
SECURED:				
Hire purchase payables (Note 19)	-	18	-	18
Term loans (Note 20)	13,884	11,007	-	-
	13,884	11,025	-	18

19. HIRE PURCHASE PAYABLES

	THE GROUP / THE COMPANY	
	2012 RM'000	2011 RM'000
Minimum hire purchase payments:		
- not later than one year	18	108
- later than one year and not later than five years	-	19
	18	127
Future finance charges	-	(5)
Present value of hire purchase payables	18	122

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	THE GROUP / THE COMPANY	
	2012 RM'000	2011 RM'000
Current:		
- not later than one year (Note 23)	18	104
Non-current:		
- later than one year and not later than five years (Note 18)	-	18
	<u>18</u>	<u>122</u>

20. TERM LOANS

	THE GROUP	
	2012 RM'000	2011 RM'000
SECURED:		
Not later than one year (Note 23)	869	2,462
Later than one year and not later than five years	4,217	1,309
Later than five years	9,667	9,698
Total non-current portion (Note 18)	<u>13,884</u>	<u>11,007</u>
	<u>14,753</u>	<u>13,469</u>

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20. TERM LOANS (CONT'D)

- (a) The term loans of the Group bore an effective interest rate of 7.60% (2011 - 7.60% to 8.10%) per annum at the end of the reporting period and are secured by:
 - (i) a first and third party legal charge created on the investment property owned by a subsidiary;
 - (ii) an equitable assignment of all the present and future monthly rental proceeds derived from the investment property owned by a subsidiary;
 - (iii) a corporate guarantee of the Company; and
 - (iv) subordination of loan due to the Company for not less than RM10,000,000 to the facilities granted.
- (b) In the previous financial year, the Group had negotiated and restructured one of its term loan facilities. The repayment terms of the restructured loan, were as follows:-
 - (i) a payment of approximately RM1,223,000 by way of redemption of properties within one year from 31 December 2011;
 - (ii) a lump sum settlement of RM80,000; and
 - (iii) a monthly payment of RM10,000 for servicing of interest accrued from 1 February 2012 on the settlement sum until full settlement of the settlement sum and interest thereon.

During the financial year, this term loan was fully settled.

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**NOTES TO THE FINANCIAL STATEMENTS
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The normal trade credit terms granted to the Group range from 30 to 60 days (2011 - 30 to 60 days).

During the financial year, an amount of approximately RM44.2 million was set off against with its trade receivables as the Group has a legally enforceable right for the set off.

22. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Amount owing to subsidiaries	-	-	840	194
Amount owing to a director	-	10	-	10
Accruals	315	187	241	72
Deposits received	828	841	-	-
Other payables	749	1,355	175	136
	<u>1,892</u>	<u>2,393</u>	<u>1,256</u>	<u>412</u>

The amount owing to subsidiaries is non-trade in nature, unsecured, interest-free and repayable on demand.

The amount owing to a director is non-trade in nature, unsecured, interest-free and repayable on demand.

23. SHORT-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
SECURED:				
Hire purchase payables (Note 19)	18	104	18	104
Term loans (Note 20)	869	2,462	-	-
	<u>887</u>	<u>2,566</u>	<u>18</u>	<u>104</u>

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The bank overdraft of the Group bore an effective interest rate of 7.60% (2011 - 7.60%) per annum at the end of the reporting period and is secured by:

- (i) a first and third party legal charge created on the investment property owned by a subsidiary;
- (ii) an equitable assignment of all the present and future monthly rental proceeds derived from the investment property owned by a subsidiary;
- (iii) a corporate guarantee of the Company; and
- (iv) subordination of loan due to the Company for not less than RM10,000,000 to the facilities granted.

25. NET ASSETS PER SHARE

The net assets per share of the Group is calculated based on the net assets value at the end of the reporting period divided by the number of ordinary shares in issue at the end of the reporting period.

	THE GROUP	
	2012	2011
Net assets (RM'000)	60,521	76,908
Number of ordinary shares in issue ('000)	702,034	702,034
Net assets per share (RM)	0.09	0.11

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	THE GROUP		THE COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Share of revenue from a joint venture project (Note 13(a)(i))	-	40	-	40
Property development revenue	-	4,161	-	414
Sale of goods	46,708	6,873	-	-
Rental income from investment property	3,733	3,803	-	-
Management fees from subsidiaries	-	-	2,320	2,256
	<u>50,441</u>	<u>14,877</u>	<u>2,320</u>	<u>2,710</u>

27. COST OF SALES

	THE GROUP		THE COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Share of property development costs from a joint venture project (Note 13(a)(i))	-	296	-	296
Property development cost	-	6,482	-	406
Cost of goods sold	37,677	4,338	-	-
Maintenance cost of investment property	1,617	1,534	-	-
	<u>39,294</u>	<u>12,650</u>	<u>-</u>	<u>702</u>

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	THE GROUP		THE COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Interest income:				
- fixed deposits	12	12	4	2
- others	4	2,008	-	2,185
Writeback of impairment loss on investment in subsidiaries	-	-	-	1,640
Writeback of impairment loss on receivables	-	517	-	286
Sundry income	68	-	-	-
Gain on disposal of asset held for sale	472	-	-	-
	<u>556</u>	<u>2,537</u>	<u>4</u>	<u>4,113</u>

29. LOSS BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
In addition to those disclosed in Note 26, Note 27 and Note 28, loss before taxation is arrived at after charging the following:-				
Impairment loss on receivables	9,880	82	9,650	-
Amortisation of timber extraction rights	10,733	1,259	-	-
Audit fee:				
- statutory audit	150	94	90	70
- underprovision in the prior years	19	-	19	-
- other non-statutory services	15	3	15	3
Depreciation of property and equipment	186	288	96	197
Directors' non-fee emolument (Note 33)	173	153	173	153
Director' fees (Note 33)	386	-	386	-

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012****29. LOSS BEFORE TAXATION (CONT'D)**

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
In addition to those disclosed in Note 26, Note 27 and Note 28, loss before taxation is arrived at after charging the following:- (Cont'd)				
Impairment loss:				
- timber extraction rights (Note 8)	459	-	-	-
- investments in subsidiaries (Note 9)	-	-	7,553	5,030
Interest expense:				
- bank overdrafts	185	206	-	-
- term loans	1,094	937	-	-
- hire purchase	4	10	4	10
- others	-	-	72	-
Rental of equipment	3	6	3	6
Rental of premises	126	141	126	141
Employee benefits expense:				
- salaries, wages, bonus and allowances	1,144	1,227	1,144	1,227
- defined contribution plans	60	80	60	80
- other benefit	50	35	50	35

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012****30. INCOME TAX EXPENSE**

	THE GROUP	
	2012 RM'000	2011 RM'000
Current tax expense:		
- for the financial year	1,861	208
- underprovision in the previous financial year	89	-
	<u>1,950</u>	<u>208</u>

A reconciliation of the income tax expense applicable to the loss before taxation at the statutory tax rate to the income tax expense at the effective tax rate of the Group and the Company is as follows:-

	THE GROUP		THE COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Loss before taxation	(14,437)	(522)	(17,907)	(1,347)
Tax at the statutory tax rate of 25%	(3,609)	(130)	(4,477)	(337)
Tax effects of:				
Non-deductible expenses	5,518	495	4,481	1,383
Non-taxable income	(19)	(116)	(1)	(454)
Utilisation of deferred tax assets not recognised previously	(52)	(797)	(3)	(592)
Deferred tax assets not recognised during the financial year	23	756	-	-
Underprovision for income tax in the previous financial year	89	-	-	-
Income tax expense for the financial year	<u>1,950</u>	<u>208</u>	<u>-</u>	<u>-</u>

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No deferred tax assets are recognised on the following items at the end of the reporting period:-

	THE GROUP		THE COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Unabsorbed capital allowances	159	171	156	168
Unutilised tax losses	67,672	68,006	58,189	58,189
Impairment loss on receivables	2,664	2,434	-	-
	<u>70,495</u>	<u>70,611</u>	<u>58,345</u>	<u>58,357</u>

31. BASIC LOSS PER ORDINARY SHARE

Basic loss per ordinary share has been calculated based on the Group's net loss attributable to owners of the Company for the financial year divided by the number of ordinary shares in issue.

	THE GROUP	
	2012	2011
Net loss attributable to owners of the Company (RM'000)	(16,387)	(730)
Number of ordinary shares in issue ('000)	702,034	702,034
Loss per share (Sen)	<u>(2.33)</u>	<u>(0.10)</u>

The diluted earnings per share was not presented as there were no dilutive potential ordinary shares during the financial year.

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For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Fixed deposits with licensed financial institutions (Note 15)	288	285	-	-
Cash and bank balances (Note 16)	425	1,314	63	135
Bank overdraft (Note 24)	(2,886)	(2,966)	-	-
	<u>(2,173)</u>	<u>(1,367)</u>	<u>63</u>	<u>135</u>

33. DIRECTORS' REMUNERATION

	THE GROUP / THE COMPANY	
	2012 RM'000	2011 RM'000
Executive directors:		
- non-fee emoluments	173	153
- fee	120	-
	<u>293</u>	<u>153</u>
Non-executive directors:		
- fee	266	-
	<u>266</u>	<u>-</u>

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The remuneration received/receivable by directors from the Group and the Company during the financial year falls within the following bands:-

	THE GROUP / THE COMPANY	
	2012	2011
Executive directors:		
RM50,001 - RM100,000	4	2
Non-executive directors:		
RM50,001 - RM100,000	4	-

34. RELATED PARTY DISCLOSURES**(a) Identities of related parties:**

The Group has related party relationships with:

- (i) its subsidiaries as disclosed in Note 9 to the financial statements;
- (ii) the directors who are the key management personnel;
- (iii) the joint venture in which the Company is the venture; and
- (iv) entities controlled by certain key management personnel, directors and/or substantial shareholders.

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34. RELATED PARTY DISCLOSURES (CONT'D)

- (b) In addition to the information disclosed elsewhere in the financial statements, the Group and the Company carried out the following transactions with its related parties during the financial year:

	THE GROUP		THE COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
(i) Subsidiaries				
- management fee	-	-	2,320	2,256
(ii) Key management personnel (including directors):				
- short-term employee benefits	293	153	293	153
(iii) Joint venture project, NICORP-CREATIVE JV				
- share of loss	-	(443)	-	(443)
- net advances to	111	756	111	756
(iv) Entities in which certain directors are shareholders				
- Advertisement expense	61	-	61	-
- Administrative cost	62	-	62	-

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The Group leases out its investment property. The future minimum lease payments under the non-cancellable operating leases are as follows:

	THE GROUP	
	2012 RM'000	2011 RM'000
Not later than 1 year	83	1,591
Later than 1 year but not later than 3 years	22	4,465
	<u>105</u>	<u>6,056</u>

36. CONTINGENT LIABILITY*Unsecured:-*

Corporate guarantees given to licensed banks for banking facilities granted to a subsidiary

	THE COMPANY	
	2012 RM'000	2011 RM'000
	<u>17,639</u>	<u>15,212</u>

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2012	PROPERTY DEVELOPMENT RM'000	TIMBER EXTRACTION RM'000	INVESTMENT PROPERTY HOLDING RM'000	INVESTMENT HOLDING AND OTHERS RM'000	ELIMINATION RM'000	GROUP RM'000
REVENUE						
External sales	-	46,708	3,733	-	-	50,441
Inter-segment sales	-	-	-	2,320	(2,320)	-
	-	46,708	3,733	2,320	(2,320)	50,441
RESULTS						
Segment results	135	(4,100)	774	(17,908)	7,945	(13,154)
Finance costs						(1,283)
Loss before taxation						(14,437)
Income tax expense						(1,950)
Loss after taxation						(16,387)
ASSETS						
Segment assets	567	11,434	71,577	61,061	(61,760)	82,879
Unallocated asset						27
						82,906
LIABILITIES						
Segment liabilities	756	3,315	19,058	628	(3,628)	20,129
Unallocated liability						2,256
						22,385
Impairment loss on receivables	-	-	230	9,650	-	9,880
Amortisation of timber extraction rights	-	11,054	-	-	(321)	10,733
Depreciation of property and equipment	-	11	79	96	-	186
Impairment loss on timber extraction rights	-	530	-	-	(71)	459

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2011	PROPERTY DEVELOPMENT RM'000	TIMBER EXTRACTION RM'000	INVESTMENT PROPERTY HOLDING RM'000	INVESTMENT HOLDING AND OTHERS RM'000	ELIMINATION RM'000	GROUP RM'000
REVENUE						
External sales	4,201	6,873	3,803	-	-	14,877
Inter-segment sales	-	-	-	2,256	(2,256)	-
	4,201	6,873	3,803	2,256	(2,256)	14,877
RESULTS						
Segment results	(3,484)	1,607	1,564	(907)	1,851	631
Finance costs	-	(178)	(1,143)	(10)	178	(1,153)
Loss before taxation						(522)
Income tax expense						(208)
Loss after taxation						(730)
ASSETS						
Segment assets	2,522	23,453	71,005	78,888	(68,609)	107,259
Unallocated asset						27
						107,286
LIABILITIES						
Segment liabilities	3,814	11,420	17,981	826	(4,177)	29,864
Unallocated liability						514
						30,378
Impairment loss on receivables	-	-	82	-	-	82
Amortisation of timber extraction rights	-	1,259	-	-	-	1,259
Depreciation of property and equipment	-	10	80	198	-	288
Writeback of impairment loss on receivables	-	(1,178)	(414)	(286)	1,361	(517)

No geographical analysis has been prepared as the Group operates wholly in Malaysia.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012**

37. OPERATING SEGMENTS (CONT'D)

Revenue from one major customer, with revenue more than 10% of the Group revenue, amounting to approximately RM46,708,000 (2011 - RM6,873,000) arose from sales of the timber extraction segment.

38. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk*(i) Foreign Currency Risk*

The Group does not have material foreign currency transactions, assets or liabilities and hence is not exposed to any significant or material currency risks.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus fund of the Group will be placed with licensed financial institutions to generate interest income.

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38. FINANCIAL INSTRUMENTS (CONT'D)**(a) Financial Risk Management Policies (Cont'd)****(i) Market Risk (Cont'd)****(ii) Interest Rate Risk (Cont'd)**Interest rate sensitivity analysis

The following table details the sensitivity analysis on a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	THE GROUP	
	2012	2011
	Increase/ (Decrease)	Increase/ (Decrease)
	RM'000	RM'000
Effects on loss after taxation		
Increase of 100 basis points (bp)	132	122
Decrease of 100 bp	(132)	(122)
Effects on equity		
Increase of 100 bp	(132)	(122)
Decrease of 100 bp	132	122
	<hr/>	<hr/>

(iii) Equity Price Risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012****38. FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(ii) Credit Risk**

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amount owing by one customer which constituted approximately 95% of its trade receivables at the end of the reporting period.

Ageing Analysis

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:-

	GROSS AMOUNT RM'000	INDIVIDUAL IMPAIRMENT RM'000	COLLECTIVE IMPAIRMENT RM'000	CARRYING VALUE RM'000
THE GROUP				
2012				
Not past due	178	(16)	-	162
Past due:				
- less than 3 months	263	(30)	-	233
- 3 to 6 months	4,747	(16)	-	4,731
- over 6 months	7,361	(2,302)	(300)	4,759
	12,549	(2,364)	(300)	9,885

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38. FINANCIAL INSTRUMENTS (CONT'D)**(a) Financial Risk Management Policies (Cont'd)****(ii) Credit Risk (Cont'd)**Ageing Analysis (Cont'd)

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows (Cont'd):-

THE GROUP	GROSS AMOUNT RM'000	INDIVIDUAL IMPAIRMENT RM'000	COLLECTIVE IMPAIRMENT RM'000	CARRYING VALUE RM'000
2011				
Not past due	219	-	-	219
Past due:				
- less than 3 months	97	-	-	97
- 3 to 6 months	2,902	-	-	2,902
- over 6 months	8,361	(2,163)	(271)	5,927
	11,579	(2,163)	(271)	9,145

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have long overdue balances. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sales, determined by reference to past experience.

Trade receivables that are past due but not impaired**(i) Timber extraction segment**

The Group believes that no impairment allowance is necessary as this relates to the sole customer and settlement arrangement has been made as disclosed in Note 12 to the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
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38. FINANCIAL INSTRUMENTS (CONT'D)**(a) Financial Risk Management Policies (Cont'd)****(ii) Credit Risk (Cont'd)**Trade receivables that are past due but not impaired (Cont'd)*(ii) Property development segment*

The management is of the opinion that the recoverability of the amount owed by the purchasers is fully recoverable, due to the following reasons:-

- (a) the transfer of the property to the purchaser is subject to the full payment of the outstanding amount;
- (b) most of the purchasers have end financing arrangements, and payments are slow because of the credit processes of the end financiers; and
- (c) in the event the sale is terminated for non-payment, the Group will be able to recover the property.

(iii) Other segments

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Groups uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 150 days, which are deemed to have higher credit risk, are monitored individually.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012****38. FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(iii) Liquidity Risk**

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

THE GROUP	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 – 5 YEARS RM'000	OVER 5 YEARS RM'000
2012						
Hire purchase payables	6.59	18	18	18	-	-
Term loans	7.60	14,753	22,063	1,964	7,854	12,245
Trade payables	-	580	580	580	-	-
Other payables and accruals	-	1,892	1,892	1,892	-	-
Bank overdraft	7.60	2,886	2,886	2,886	-	-
		20,129	27,439	7,340	7,854	12,245

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THE GROUP	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 – 5 YEARS RM'000	OVER 5 YEARS RM'000
2011						
Hire purchase payables	6.58	122	127	108	19	-
Term loans	7.65	13,469	17,539	3,327	8,411	5,801
Trade payables	-	10,914	10,914	10,914	-	-
Other payables and accruals	-	2,393	2,393	2,393	-	-
Bank overdraft	7.60	2,966	2,966	2,966	-	-
		29,864	33,939	19,708	8,430	5,801

THE COMPANY	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 – 5 YEARS RM'000
2012					
Hire purchase payables	6.59	18	18	18	-
Other payables and accruals	-	1,256	1,256	1,256	-
		1,274	1,274	1,274	-

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012****38. FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(iii) Liquidity Risk (Cont'd)**

THE COMPANY	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 – 5 YEARS RM'000
2011					
Hire purchase payables	6.58	122	127	108	19
Other payables and accruals	-	412	412	412	-
		534	539	520	19

(b) Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012****38. FINANCIAL INSTRUMENTS (CONT'D)****(b) Capital Risk Management (Cont'd)**

The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	THE GROUP	
	2012 RM'000	2011 RM'000
Hire purchase payables	18	122
Term loans	14,753	13,469
Trade payables	580	10,914
Other payables and accruals	1,892	2,393
Bank overdraft	2,886	2,966
	<u>20,129</u>	<u>29,864</u>
Less: Fixed deposits with licensed financial institutions	(288)	(285)
Less: Cash and bank balances	(425)	(1,314)
	<u>19,416</u>	<u>28,265</u>
Net debt	<u>19,416</u>	<u>28,265</u>
Total equity	<u>60,521</u>	<u>76,908</u>
Debt-to-equity ratio	<u>0.32</u>	<u>0.37</u>

Under the requirement of Practice Note No. 17/2005 of Bursa Malaysia Securities Berhad, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares, if any) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012****38. FINANCIAL INSTRUMENTS (CONT'D)****(c) Classification of Financial Instruments**

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Financial assets				
<u>Loans and receivables</u>				
<u>financial assets</u>				
Trade receivables	9,885	9,145	-	-
Other receivables and deposits	90	8,789	3,321	12,547
Fixed deposits with licensed financial institutions	288	285	-	-
Cash and bank balances	425	1,314	63	135
	<u>10,688</u>	<u>19,533</u>	<u>3,384</u>	<u>12,682</u>
Financial liabilities				
<u>Other financial liabilities</u>				
Trade payables	580	10,914	-	-
Other payables and accruals	1,892	2,393	1,256	412
Term loans	14,753	13,469	-	-
Hire purchase payables	18	122	18	122
Bank overdraft	2,886	2,966	-	-
	<u>20,129</u>	<u>29,864</u>	<u>1,274</u>	<u>534</u>

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012**

38. FINANCIAL INSTRUMENTS (CONT'D)**(d) Fair Values Of Financial Instruments**

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values.

The following summarises the methods used to determine the fair values of the financial instruments:-

- (i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.
- (ii) The fair values of hire purchase payables and term loans are determined by discounting the relevant cash flows using interest rates for similar instruments at the end of the reporting period.
- (iii) The fair values of long-term receivables are determined by discounting all future cash receipts using the prevailing market rate of interest as at the end of the reporting period.

(e) Fair Value Hierarchy

At the end of the reporting period, there were no financial instruments carried at fair value.

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The Group entered into several corporate proposals as disclosed in Notes 5(a), 5(b) and 5(c) to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012****40. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED LOSSES**

The breakdown of the accumulated losses of the Group and the Company at the end of the reporting period into realised and unrealised losses are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	THE GROUP		THE COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Total accumulated losses of the Company and its subsidiaries:				
- realised	(66,106)	(39,407)	(79,960)	(62,053)
- unrealised	-	-	-	-
	<u>(66,106)</u>	<u>(39,407)</u>	<u>(79,960)</u>	<u>(62,053)</u>
Less: Consolidation adjustments	(13,780)	(23,362)	-	-
	<u>(79,886)</u>	<u>(63,499)</u>	<u>(79,960)</u>	<u>(62,053)</u>
At 31 December	<u>(79,886)</u>	<u>(63,499)</u>	<u>(79,960)</u>	<u>(62,053)</u>

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **THIRTY EIGHTH ANNUAL GENERAL MEETING** of **NAIM INDAH CORPORATION BERHAD** will be held at the Crown Hall, Level 1, Crystal Crown Hotel Petaling Jaya, No. 12 Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor on Thursday, 27 June 2013 at 2.00 p.m. to transact the following business:

AGENDA

- | | | |
|----|--|--|
| 1. | To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2012 and the Reports of the Directors and Auditors thereon. | Please refer to explanatory note below |
| 2. | To approve the payment of Directors' fees totaling RM360,000.00 for the financial year ending 31 December 2013. | [Resolution 1] |
| 3. | To re-elect Encik Zailan Bin Othman who retires pursuant to Article 79 of the Company's Articles of Association, and being eligible offered himself for re-election. | [Resolution 2] |
| 4. | To elect the following Directors who retire pursuant to Article 86 of the Company's Articles of Association, and being eligible have offered themselves for election:-
a) Mr. Siaw Swee Hin; and
b) Datuk Tan Choon Hwa. | [Resolution 3]
[Resolution 4] |
| 5. | To re-appoint Messrs. Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. | [Resolution 5] |
| 6. | To transact any other business for which due notice shall be given. | |

AS SPECIAL BUSINESSES

To consider and if thought fit, to pass the following resolutions with/without modifications:-

- | | | |
|----|---|----------------|
| 7. | Ordinary Resolution
Authority to issue new ordinary shares pursuant to Section 132D of the Companies Act 1965 ("the Act")

"THAT pursuant to Section 132D of the Act and the Articles of Association of the Company and subject to the approvals from Bursa Malaysia Securities Berhad and other relevant government/regulatory authorities, where such approval is necessary, the Directors of the Company be and are hereby empowered pursuant to Section 132D of the Act to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate nominal value of shares to be issued during the preceding 12 months does not exceed 10% of the nominal value of the issued and paid-up share capital (excluding treasury shares) of the Company for the time being AND THAT the Board of Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad." | [Resolution 6] |
| 8. | Ordinary Resolution
Retention of Independent Director

"THAT Encik Zailan Bin Othman who has served the Board as Independent Non-Executive Director of the Company for a term of more than nine (9) years since 7 August 2002 be and is hereby retained as Independent Non Executive Director." | [Resolution 7] |

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NOTICE OF ANNUAL GENERAL MEETING**9. Ordinary Resolution**

[Resolution 8]

Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out under Section 2.4 of the Circular to shareholders dated 5 June 2013 ("Circular")

"THAT subject to the Companies Act 1965 ("the Act"), the Articles of Association of the Company and the approvals from Bursa Malaysia Securities Berhad and other relevant government/regulatory authorities, where such approval is necessary, it is hereby mandated that approval be given to the Company and its subsidiary companies to enter into recurrent transactions of a revenue or trading nature with related parties which are necessary for the day to day operations and not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company as set out in Section 2.4 of the Circular and that authority be conferred by this resolution shall commence immediately upon the passing of this resolution;

THAT the authority conferred by such mandate shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such mandate is approved, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is earlier;

THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to such mandate."

10. Special Resolution

[Resolution 9]

Proposed Amendments to Articles of Association

"THAT the proposed amendments to the Articles of Association of the Company as contained in the Appendix I be hereby approved."

BY ORDER OF THE BOARD
NAIM INDAH CORPORATION BERHAD

YEAP KOK LEONG (MAICSA NO. 0862549)
THAM WAI YING (MAICSA NO. 7016123)
 Company Secretaries

Kuala Lumpur
5 June 2013

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NOTICE OF ANNUAL GENERAL MEETING**Notes:**

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Company and a member may appoint not more than two (2) proxies to attend the meeting. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. The provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. Proxy Form duly completed must be deposited at the Company's Share Registrar, Tricor Investor Services Sdn Bhd of Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time fixed for holding the meeting or any adjournment thereof.
5. For the purpose of determining a member who shall be entitled to attend the Thirty Eighth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 56(a) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositor as at 20 June 2013. Only a depositor whose name appears therein shall be entitled to attend the said meeting or appoint a proxy to attend and/or vote on his stead.
6. Mr. Chan Kwai Weng who is subject to retire pursuant to Articles 79 of the Company's Articles of Association, had indicated to the Company that he does not wish to seek re-election at this Thirty Eighth Annual General Meeting.

EXPLANATORY NOTES ON ORDINARY BUSINESSES:

1. Item 1 of the Agenda

This agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item is not put forward to the shareholders for voting.

2. Proposed Resolution 2

Approval for Directors' Fees

The Directors' fees proposed for the financial year ending 31 December 2013 are calculated based on the number of scheduled Board and Committee meetings for 2013 and assuming that all Non-Executive Directors will hold office until the end of the financial year. This resolution is to facilitate payment of Directors' fees on current financial year basis. In the event the Directors' fees proposed is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

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NOTICE OF ANNUAL GENERAL MEETING**EXPLANATORY NOTES ON SPECIAL BUSINESSES:-**1. Proposed Resolution 6Approval for Issuance of New Ordinary Shares Pursuant to Section 132D of the Companies Act 1965

The Proposed Resolution 6 is for the purpose of granting a general mandate ("General Mandate") and empowering the Directors to issue shares in the Company up to an amount not exceeding in total ten per cent (10%) of the nominal value of the issued and paid up Share Capital (excluding treasury shares) of the Company for such purposes as the Directors consider would be in the interest of the Company. As at the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Thirty Seventh Annual General Meeting. The Company did not issue any shares pursuant to the mandate granted because there were no investment(s), acquisition(s) or working capital that required fund raising activity.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

The General Mandate will provide flexibility to the Company for issuance of shares for any possible fund raising activities, including but not limited for further placing of shares, for the purpose of funding future investment project(s), working capital, acquisition(s) or such other applications that the Directors may in their absolute discretion deemed fit.

2. Proposed Resolution 7Retention of Encik Zailan Bin Othman as Independent Non-Executive Director of the Company pursuant to Recommendation 3.3 of the Malaysian Code of Corporate Governance 2012

Encik Zailan Bin Othman was appointed as an Independent Non-Executive Director on 7 August 2002. As at the date of the notice of the Annual General Meeting, he has served the Company for 10 years. However, he has met the independence guidelines as set out in Chapter 1 of Bursa Securities Main Market Listing Requirements. The Board, therefore, considers him to be independent and believes that he should be retained as Independent Non-Executive Director.

3. Proposed Resolution 8Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

For further information on Proposed Resolution 8, please refer to Circular to Shareholders dated 5 June 2013 accompanying the Company's Annual Report for the year ended 31 December 2012.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Directors standing for election at the Thirty Eighth Annual General Meeting

The Directors retiring by rotation and standing for election pursuant to Article 86 of the Company's Articles of Association are as follows:

- (i) Mr. Siaw Swee Hin; and
- (ii) Datuk Tan Choon Hwa.

APPENDIX I

Referred to in the Notice of Thirty Eighth Annual General Meeting

The Company proposes to implement the amendments to the Articles of Association of the Company (for which differences are underlined and highlighted in bold below under the columns “Existing Articles” and “Amended Articles” respectively).

Article No.	Existing Articles	Amended Articles
2	Insertion of new word and its interpretation	<div> <div>Word</div> <div>Dividend Reinvestment Scheme</div> </div> <div> <div>Meaning</div> <div>Means a scheme which enables members to reinvest cash dividend into new shares.</div> </div>
72(a)	<p>The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a Member of the Company and a member may appoint not appoint not more than two proxies to attend the meeting. Where a member appoints two proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. The provisions of Section 149(1)(a) and (b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.</p>	<p>The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a Member of the Company and a member may appoint not appoint not more than two proxies to attend the meeting. Where a member appoints two proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. The provisions of Section 149(1)(a) and (b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. There shall be no restriction as to the qualifications of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.</p>
72(b)	<p>Where a member of the Company is an authorised nominee as defined under the Securities Industrial (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.</p>	<p>Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.</p> <p>An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 (“SICDA”) which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.</p>

APPENDIX I

Referred to in the Notice of Thirty Eighth Annual General Meeting

Article No.	Existing Articles	Amended Articles
78	All the Directors of the Company shall be natural persons and until otherwise determined by general meeting the number of Directors including a Managing Director shall not be less than two (2) nor more than fifteen (15) <u>but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum the continuing Directors or Director may act for the purpose of filling up such vacancy or vacancies or of summoning a general meeting of the Company.</u>	All the Directors of the Company shall be natural persons and until otherwise determined by general meeting the number of Directors including a Managing Director shall not be less than two (2) nor more than fifteen (15).
127	The Secretary or Secretaries shall in accordance with the Act be appointed by the Directors for such term, at such remuneration and upon such conditions as they think fit, and any Secretary or Secretaries so appointed may be removed by them. The Directors may from time to time by resolution appoint a temporary substitute for the Secretary or Secretaries shall be deemed to be the Secretary during the term of his appointment.	The Secretary or Secretaries shall in accordance with the Act be appointed by the Directors for such term, at such remuneration and upon such conditions as they think fit, and any Secretary or Secretaries so appointed may be removed by them. The Directors may from time to time by resolution appoint a temporary substitute for the Secretary or Secretaries shall be deemed to be the Secretary during the term of his appointment. The office of the Secretary shall be vacated if the Secretary resigns by notice in writing to the company, left at the registered office and copies lodged with the Directors for the time being at their last known address.
141(a)	New provision	Subject to the approval being obtained from the members of the Company and the Listing Requirements, the Company may issue shares pursuant to a Dividend Reinvestment Scheme to all its members who are entitled to dividend in accordance with the provisions of the Act and any rules, regulations and guidelines there under or issued by the Exchange and any other relevant authorities in respect thereof.

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

CDS Account No

PROXY FORM

No. of shares held

I/We

Tel:

[Full name in block, NRIC No./Company No. and telephone number]

of

being a member/members of **Naim Indah Corporation Berhad**, hereby appoint:-

Full Name (in Block)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or (delete as appropriate)

and / or (delete as appropriate)			
Full Name (in Block)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Thirty Eighth Annual General Meeting of the Company to be held at Crown Hall, Level 1, Crystal Crown Hotel Petaling Jaya, No. 12 Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor, on Thursday, 27 June 2013 at 2.00 p.m. or any adjournment thereof, and to vote as indicated below:-

	RESOLUTIONS		FOR	AGAINST
1.	Payment of Directors' Fees.	Resolution 1		
2.	To re-elect Encik Zailan Bin Othman as Director of the Company.	Resolution 2		
3.	To elect Mr. Siaw Swee Hin as Director of the Company.	Resolution 3		
4.	To elect Datuk Tan Choon Hwa as Director of the Company.	Resolution 4		
5.	To re-appoint Messrs. Crowe Horwath as Auditors.	Resolution 5		
6.	Authority to Issue Shares pursuant to Section 132D of the Companies Act 1965.	Resolution 6		
7.	Retention of Independent Director.	Resolution 7		
8.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Resolution 8		
9.	Proposed Amendments to Articles of Association.	Resolution 9		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this day of , 2013

Signature of Shareholder/Common Seal

Please fold here to seal

**Affix
Postage
Stamp**

TRICOR INVESTOR SERVICES SDN BHD
Level 17, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia.

Please fold here to seal

Notes:

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Company and a member may appoint not more than two (2) proxies to attend the meeting. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. The provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. Proxy Form duly completed must be deposited at the Company's Share Registrar, Tricor Investor Services Sdn Bhd of Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time fixed for holding the meeting or any adjournment thereof.
5. For the purpose of determining a member who shall be entitled to attend the Thirty Eighth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 56(a) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositor as at 20 June 2013. Only a depositor whose name appears therein shall be entitled to attend the said meeting or appoint a proxy to attend and/or vote on his stead.
6. Mr. Chan Kwai Weng who is subject to retire pursuant to Articles 79 of the Company's Articles of Association, had indicated to the Company that he does not wish to seek re-election at this Thirty Eighth Annual General Meeting.

(Company No. 19727-P)

NAIM INDAH CORPORATION BERHAD

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