



NAIM CENDERA HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FIRST QUARTER ENDED 31 MARCH 2007

CONDENSED CONSOLIDATED INCOME STATEMENT				
For the quarter ended 31 March 2007				
(The figures have not been audited)				
	CURRENT QUARTER		CUMULATIVE QUARTER	
	<i>3 months ended 31 March</i>		<i>3 months ended 31 March</i>	
	2007	2006	2007	2006
	RM' 000	RM'000	RM' 000	RM'000
Revenue	134,425	99,434	134,425	99,434
Cost of sales	(97,293)	(67,321)	(97,293)	(67,321)
Gross profit	37,132	32,113	37,132	32,113
Other income	1,547	2,082	1,547	2,082
Administration expenses	(5,850)	(4,526)	(5,850)	(4,526)
Selling and distribution expenses	(771)	(654)	(771)	(654)
Other expenses	-	(135)	-	(135)
Finance costs	(47)	(20)	(47)	(20)
Share of profit of associates, net of tax	182	187	182	187
Share of profit of joint ventures, net of tax	547	611	547	611
Profit before taxation	32,740	29,658	32,740	29,658
Income tax expense	(9,240)	(8,156)	(9,240)	(8,156)
Profit for the period	23,500	21,502	23,500	21,502
Attributable to:				
Equity holders of the parent	22,674	18,528	22,674	18,528
Minority interests	826	2,974	826	2,974
	23,500	21,502	23,500	21,502
Basic earnings per ordinary share attributable to equity holders of the parent (sen)	Note XIII	9.27	7.58	9.27
			7.58	

The notes set out on pages 5 to 15 form an integral part of, and should be read in conjunction with, this interim financial report.

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006.



NAIM CENDERA HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FIRST QUARTER ENDED 31 MARCH 2007

CONDENSED CONSOLIDATED BALANCE SHEET			
As at 31 March 2007 (The figures have not been audited)			
	Notes	31 March 2007 RM' 000	31 December 2006 RM' 000
ASSETS			
Non-current assets			
Property, plant and equipment		24,574	25,542
Land held for property development		134,146	136,614
Investment properties	11	461	490
Prepaid lease payments		18,560	18,650
Intangible assets		2,037	2,133
Investment in associates		4,176	3,994
Investment in jointly controlled entities		8,281	7,638
Other investments		461	449
Deferred tax assets		588	588
		193,284	196,098
Current assets			
Property development costs		193,011	191,788
Inventories		15,363	14,837
Trade and other receivables		290,657	269,109
Deposits, cash and bank balances		118,820	122,009
		617,851	597,743
		811,135	793,841
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Share capital		250,000	250,000
Share premium		86,092	86,092
Capital reserve		200	200
Retained profits		192,513	169,839
Treasury shares		(16,315)	(16,315)
Equity attributable to equity holders of the company		512,490	489,816
Minority interests		40,716	39,890
TOTAL EQUITY		553,206	529,706
Non-current liabilities			
Borrowings		967	1,124
Deferred tax liabilities		58,561	59,012
		59,528	60,136
Current Liabilities			
Trade and other payables		196,422	203,422
Borrowings		597	557
Taxation		1,382	20
		198,401	203,999
TOTAL LIABILITIES		257,929	264,135
TOTAL EQUITY AND LIABILITIES		811,135	793,841
Net assets per share attributable to equity holders of the parent(RM)		2.05	1.96

The notes set out on pages 5 to 15 form an integral part of, and should be read in conjunction with, this interim financial report.

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006.



NAIM CENDERA HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FIRST QUARTER ENDED 31 MARCH 2007

CONDENSED CONSOLIDATED CASH FLOW STATEMENT		
For the period ended 31 March 2007 (The figures have not been audited)		
	31 March 2007 RM'000	31 March 2006 RM'000
Net cash (used in)/generated from operating activities	(2,045)	17,546
Net cash (used in) investing activities	(980)	(4,898)
Net cash (used in) financing activities	(164)	(6,579)
Net (decrease)/increase in cash and cash equivalents	(3,189)	6,069
Cash and cash equivalents at beginning of financial period	120,357	131,817
Cash and cash equivalents at end of financial period	<u>117,168</u>	<u>137,886</u>
	RM'000	RM'000
Cash and cash equivalents at end of financial period	117,168	137,886
Add: Fixed Deposits Pledged	1,652	2,111
Deposits, cash and bank balances at end of financial period	<u>118,820</u>	<u>139,997</u>

The notes set out on pages 5 to 15 form an integral part of, and should be read in conjunction with, this interim financial report.
The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006.



NAIM CENDERA HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FIRST QUARTER ENDED 31 MARCH 2007

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY									
For the period ended 31 March 2007									
(The figures have not been audited)									
	Note	Total equity attributable to shareholders of the Company						Minority Interests	Total Equity
		Non Distributable			Distributable				
		Share capital RM' 000	Share premium RM' 000	Capital reserve RM' 000	Reserve on consolidation RM' 000	Retained profits RM' 000	Treasury shares RM' 000		
3 months ended 31 March 2006 (Restated)									
At 1 January 2006									
Effects of adopting FRS 3									
As Restated									
Profit for the period									
Dividends paid									
Treasury shares purchased - at cost									
Acquisition of Minority Interests in existing subsidiary									
At 31 March 2006									
3 months ended 31 March 2007									
At 1 January 2007									
Profit for the period									
At 31 March 2007									

The notes set out on pages 5 to 15 form an integral part of, and should be read in conjunction with, this interim financial report.
The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006.



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2007

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with FRS 134 ²⁰⁰⁴, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2006.

2. Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2006 except for the adoption of the following revised Financial Reporting Standards (FRSs) :

FRS 117	Leases
FRS 124	Related Party Disclosures

The adoption of FRS 117 and FRS 124 does not have significant financial impact to the Group.

With the adoption of the revised FRSs, the Group has effected the necessary changes to the accounting policies and disclosures as disclosed under Note 2.1 and 2.2 below.

2.1 Changes in accounting policies resulting from adoption of revised FRS 117

FRS 117 Leases

The Group had previously classified a lease of land as finance lease and had recognized it as property within its property, plant and equipment. It was stated at cost less accumulated depreciation and impairment losses. On adoption of FRS 117, the Group now treats such a lease as operating lease, with the unamortized carrying amount classified as prepaid lease payments. Such prepaid lease payments are amortised evenly over the unexpired lease terms.



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NOTES TO THE INTERIM FINANCIAL REPORT

2. Changes in accounting policies (continued)

2.1 Changes in accounting policies resulting from adoption of revised FRS 117 (continued)

The classification of leasehold land as prepaid lease payment has been accounted for retrospectively and as disclosed in Note 2.2.

2.2 The financial effects of changes in accounting policies and restatement of comparative figures as a result of the adoption of revised FRS 117:

a) Consolidated balance sheet

The following comparatives were restated following the adoption of FRS 117:

	Previously stated RM'000	Re- classification RM'000	Restated RM'000
As at 31 December 2006			
Properties, plant and equipment	44,192	(18,650)	25,542
Prepaid lease payments	-	18,650	18,650

3. Audit report

The financial statements of the Group for the year ended 31 December 2006 were not subject to any audit qualification.

4. Seasonality and cyclicity of operations

The business operations of the Group are not materially affected by any seasonal or cyclical factors during the quarter under review.

5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter.



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2007

NOTES TO THE INTERIM FINANCIAL REPORT

6. Changes in estimates

There were no changes in the estimates reported in the prior financial year that have a material effect in the current quarter.

7. Debt and equity securities

There were no issuances, cancellations, repurchases, re-sales and repayments of debt and equity securities for the current period under review.

8. Dividends paid

There were no dividends paid during the quarter under review.

9. Segmental reporting

	Segment revenue		Segment results	
	3 months ended 31 March			
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Property development	48,520	53,953	17,015	19,259
Construction	76,215	37,652	14,397	9,355
Sale of goods/services	14,237	9,135	1,322	728
	138,972	100,740	32,734	29,342
Inter Segment	(4,548)	(1,306)	(460)	(17)
	134,424	99,434	32,274	29,325
Unallocated expenses/income			(584)	(696)
Income from investments			368	251
Finance costs			(47)	(20)
Share of profit of associates			182	187
Share of profit of joint ventures			547	611
Profit before tax			32,740	29,658
Income tax expense			(9,240)	(8,156)
Profit for the period			23,500	21,502
Attributable to:				
Equity holders of the parent			22,674	18,528
Minority Interests			826	2,974



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2007

NOTES TO THE INTERIM FINANCIAL REPORT

10. Valuation of property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

The Group did not revalue any of its property, plant and equipment.

11. Investment properties

	As at 31 March	
	2007	2006
	RM'000	RM'000 (Restated)
Building, stated at carrying amount	461	499
	-----	-----
Indicative fair value	800	800
	-----	-----

12. Subsequent material events

There are no material events subsequent to the end of the period reported on, that has not been reflected in the financial statements for the said period, made up to the date of this quarterly report, except for those mentioned in note 13 below.

13. Changes in the composition of the Group

During the quarter under review, Naim Cendera Sdn Bhd ("NCSB"), the wholly owned subsidiary of the Company, had acquired seven (7) new subsidiaries as disclosed in note 29 of the audited financial statements for the year ended 31 December 2006. The new subsidiaries are presently dormant.

14. Contingent liabilities

There were no contingent liabilities in respect of the Group that had arisen since 31 December 2006 till the date of this quarterly report.



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2007

NOTES TO THE INTERIM FINANCIAL REPORT

15. Capital commitments

	As at 31 March	
	2007	2006
	RM'000	RM'000
Authorised and contracted for		
Purchase of computer software	190	185
Authorised but not contracted for		
Acquisition of land bank	201,000*	307,948*
Investment property	79,297	55,043
Buildings	195	344
Motor Vehicles	1,822	312
Furniture, Fittings & Equipments	1,981	876
Plant and Machinery	2,068	13,646
Office Renovation	1,298	1,150
Information Technology Systems	2,770	1,774
	<u>290,431</u>	<u>381,093</u>
	<u>290,621</u>	<u>381,278</u>

* Proposed to be financed by cash/debt/ equity or a combination thereof.

16. Key Management Personnel compensation

Total compensation to directors of the company and other members of key management during the quarter under review are as follows:

	3 months ended	
	31 March	
	2007	2006
	RM'000	RM'000
Directors of NCHB	1,658	1,141
Other key management personnel	<u>1,481</u>	<u>1,463</u>
	<u>3,139</u>	<u>2,604</u>



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2007

NOTES TO THE INTERIM FINANCIAL REPORT

17. Significant related party transactions

	Transaction value 3 months ended 31 March		Balance outstanding as at 31 March	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Transactions with associates				
Sale of construction materials	(125)	(342)	522	6
Purchase of raw materials	232	1,066	(339)	(851)
Construction cost paid	1,905	-	(3,294)	-
Sales of construction materials	(268)	-	145	-
Machinery rental income	(84)	-	1,036	-
Transactions with unincorporated joint venture				
Construction contract revenue	3,924	-	2,228	-
Transactions with Directors of the Company and its subsidiaries and with companies connected to them				
Procurement of IT services	-	37	(47)	(118)
Supply of equipment	655	-	(4,737)	-
Rental expenses	5	-	6	-
Advertisement charges	6	-	19	-
Purchase of construction materials	-	525	-	-
Construction cost paid	1,624	-	(1,522)	-
Sales of construction materials	(111)	-	145	-
Watchman and cleaning services	-	19	-	-
Rental paid	7	7	2	2
Advisory fee paid	30	30	-	-

The above transactions had been entered into in the normal course of business and were transacted at arm's length.



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QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2007

ADDITIONAL REQUIREMENT REQUIRED BY APPENDIX 9(B) OF THE BURSA MALAYSIA LISTING REQUIREMENTS

(I) Review of performance

The Group recorded revenue of RM134 million in the period under review as against RM99 million recorded in 2006, an increase of 35%. Profit before tax for the period was RM24 million against RM21 million achieved in 2006.

Contribution to revenue from the construction division increased from 37% in the corresponding period of the preceding year to 54% in the current period.

(II) Comparison with preceeding quarter's results

The revenue and profit before tax for the current quarter were RM134 million and RM24 million respectively compared to RM201 million and RM38million respectively in the immediate preceding quarter.

(III) Prospect for 2007 and beyond

The Group is confident of another good performance in 2007. It is expecting a better contribution from the construction division in 2007 compared with 2006. The property division is expected to continue to contribute strongly to profits based on sales achieved to date.

Save as disclosed below, there are no changes to the prospects or matters as disclosed in the last quarter:

1. The proposed acquisitions of six parcels of land as announced in the last quarter are still in progress;
2. As for the construction division, the Group has entered into a Pre-Bid Agreement with two other parties to jointly submitted a prequalification document to Petronas Gas Berhad in order to be jointly pre-qualified as bidders for the Engineering, Procurement, Construction and Commissioning of the Sabah-Sarawak Gas Pipeline project. Todate, the parties have not agreed upon the specific terms of their respective roles and commitments in the final joint venture arrangement as such terms are very dependent on the specific details and conditions of the Project which, at this stage, are not yet available;and
3. The Bengoh Dam project and Kuching Flood Mitigation Scheme for the Drainage and Irrigation Department are at the stage of Letters of Intent.

Barring any unforeseen circumstances, the Group is confident of achieving a favourable result in 2007.



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QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2007

ADDITIONAL REQUIREMENT REQUIRED BY APPENDIX 9(B) OF THE BURSA MALAYSIA LISTING REQUIREMENTS

(IV) Profit guarantee

The Group did not issue any profit guarantee.

(V) Tax expense

	3 months ended 31 March	
	2007 RM'000	2006 RM'000 (Restated)
Current tax expense Malaysian - current	9,691	9,030
Deferred tax expense Malaysian - current	(451)	(874)
Total	<u>9,240</u>	<u>8,156</u>

(VI) Unquoted investments and/or properties

There was no sale of unquoted investments and/or properties included in the properties, plant and equipment during the current quarter under review.

(VII) Quoted investments

Investments in quoted shares and unit trust:

	As at 31 March					
	Quoted shares		Unit trust		Total	
	2007	2006	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost	637	637	199	179	836	816
Carrying Value	325	325	137	124	461	449
Market Value	442	473	199	265	641	738



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QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2007

ADDITIONAL REQUIREMENT REQUIRED BY APPENDIX 9(B) OF THE BURSA MALAYSIA LISTING REQUIREMENTS

(VIII) (a) Status of corporate proposals

There was no corporate proposal announced but not completed at the date of this quarterly report.

(b) Status of utilisation of proceeds

As at the date of this report, the proceeds raised from the Public Issue pursuant to the listing of the Company on the Main Board of Bursa Malaysia in 2003 amounting to RM60.547 million were utilised as follows:

	As approved by Securities Commission RM'000	Utilised as at date of report RM'000	+ / (-) RM'000	Unutilised as at date of report RM'000
Acquisition of land for property development and property investment	25,000	(6,039)	-	18,961
Purchase of machinery	7,400	(2,074)	-	5,326
Purchase of information technology systems	3,082	(3,082)	-	-
Repayment of bank borrowings	7,430	(6,992)	-	438
Listing expenses	4,600	(4,523)	(77)	-
Working capital	13,035	(13,112)	77	-
	60,547	(35,822)	-	24,725

* Unutilised listing expenses of RM77,000 are re-allocated to working capital during the first quarter of 2005.



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QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2007

ADDITIONAL REQUIREMENT REQUIRED BY APPENDIX 9(B) OF THE BURSA MALAYSIA LISTING REQUIREMENTS

IX) Group borrowings and debt securities

Group borrowings at the end of this quarter were as follows:

		As at 31 March	
		2007	2006
		RM'000	RM'000
Current			
Secured	- Hire Purchase	597	488
Non-Current			
Secured	- Hire Purchase	967	704
Unsecured	- Revolving credit	-	3,000
		<u>1,564</u>	<u>4,192</u>

All borrowings are denominated in Ringgit Malaysia.

(X) Off balance sheet financial instruments

The Group did not enter into any financial instruments with off balance sheet risk during the quarter.

(XI) Changes in material litigations

In March 2005, Naim Cendera Tujuh Sdn. Bhd. ("NC7"), a wholly owned subsidiary, received a Writ of Summons from 5 persons suing on behalf of themselves and 79 others, claiming to have native customary rights over part of NC7's leasehold land known as Lot 23, Block 34, Kemena Land District, Bintulu. Approximately 100 acres out of a total of 1,000 acres of the land are claimed by the plaintiffs.

The said land was previously alienated by the Government of Sarawak and due land premium had been settled in prior years. Should the matter not be satisfactorily resolved or should the court rule in favour of the plaintiffs, NC7 will approach the State authorities for substitution of the land.



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2007

ADDITIONAL REQUIREMENT REQUIRED BY APPENDIX 9(B) OF THE BURSA MALAYSIA LISTING REQUIREMENTS

(XII) Dividends

The Board had declared an interim dividend, in respect of financial year ending 31 December 2007, of 7 sen per share less tax at 27% totaling RM12.49 million, payable to shareholders on 12 June 2007. The dividend entitlement date shall be 25 May 2007.

(XIII) Earnings per share

Basic earnings per share (“EPS”)

The calculation of the basic EPS was based on the Group profit for the period divided by the weighted average number of ordinary shares in issue.

	3 months ended 31 March	
	2007	2006
Net profit attributable to shareholders of the Company (RM'000)	22,674	18,528
	-----	-----
Weighted average number of ordinary share in issue (‘000)	244,491	244,492
	-----	-----
Basic earnings per ordinary shares (sen)	9.27	7.58
	-----	-----