



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FIRST QUARTER ENDED 31 MARCH 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
For the quarter ended 31 March 2010 (The figures have not been audited)				
	CURRENT QUARTER		CUMULATIVE QUARTER	
	<i>3 months ended</i>		<i>3 months ended</i>	
	<i>31 March</i>		<i>31 March</i>	
	2010	2009	2010	2009
	RM' 000	RM'000	RM' 000	RM'000
Revenue	123,353	95,307	123,353	95,307
Cost of sales	(99,977)	(71,690)	(99,977)	(71,690)
Gross profit	23,376	23,617	23,376	23,617
Other income	1,654	333	1,654	333
Selling and distribution expenses	(886)	(1,108)	(886)	(1,108)
Administration expenses	(8,611)	(6,595)	(8,611)	(6,595)
Other expenses	(324)	(389)	(324)	(389)
Results from operating activities	15,209	15,858	15,209	15,858
Finance income	391	274	391	274
Finance costs	(1,484)	(472)	(1,484)	(472)
Net finance costs	(1,093)	(198)	(1,093)	(198)
Share of results of associates	4,782	4,095	4,782	4,095
Share of results of joint ventures	321	1,795	321	1,795
Profit before tax	19,219	21,550	19,219	21,550
Income tax expense	(5,128)	(4,762)	(5,128)	(4,762)
Profit for the period	14,091	16,788	14,091	16,788
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	382	-	382	-
Fair value changes for available-for-sale financial assets	8	-	8	-
Other comprehensive income for the period, net of tax	390	-	390	-
Total comprehensive income for the period	14,481	16,788	14,481	16,788
Profit attributable to:				
Owners of the Company	13,993	15,848	13,993	15,848
Minority interests	98	940	98	940
Profit for the period	14,091	16,788	14,091	16,788
Total comprehensive income attributable to:				
Owners of the Company	14,379	15,848	14,379	15,848
Minority interests	102	940	102	940
Total comprehensive income for the period	14,481	16,788	14,481	16,788
Basic earnings per ordinary share attributable to owners of the Company (sen)				
	Note XIII	5.91	6.68	5.91
			6.68	6.68

The notes set out on pages 5 to 21 form an integral part of, and should be read in conjunction with, this interim financial report.

The consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2009.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FIRST QUARTER ENDED 31 MARCH 2010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
As at 31 March 2010 (The figures have not been audited)			
	Notes	Unaudited 31 December 2009 RM' 000	Audited 31 December 2009 RM' 000
ASSETS			
Property, plant and equipment		75,214	63,397
Land held for property development		110,492	110,492
Prepaid lease payments		50,789	51,034
Intangible assets		-	2
Interest in associates		154,145	149,363
Interest in joint ventures		11,279	10,957
Other investments		351	476
Deferred tax assets		1,866	1,414
Total non-current assets		404,136	387,135
Property development costs		221,072	241,336
Inventories		22,561	27,136
Trade and other receivables		257,108	302,897
Current tax assets		8,901	8,562
Deposits, cash and bank balances		176,805	90,096
Total current assets		686,447	670,027
Total assets		1,090,583	1,057,162
EQUITY			
Share capital		250,000	250,000
Share premium		86,092	86,092
Treasury shares		(34,748)	(34,748)
Reserves		362,915	351,019
Total equity attributable to owners of the Company		664,259	652,363
Minority interests		20,378	21,961
Total equity		684,637	674,324
LIABILITIES			
Loans and borrowings		9,835	10,078
Deferred tax liabilities		51,298	51,646
Total non-current liabilities		61,133	61,724
Loans and borrowings		182,932	130,921
Deferred income		28,742	25,053
Trade and other payables		126,895	158,070
Current tax liabilities		6,244	7,070
Total current liabilities		344,813	321,114
Total liabilities		405,946	382,838
Total equity and liabilities		1,090,583	1,057,162
Net assets per share attributable to owners of the Company (RM)		2.66	2.61

The notes set out on pages 5 to 21 form an integral part of, and should be read in conjunction with, this interim financial report.
The consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2009.

QUARTERLY REPORT - FIRST QUARTER ENDED 31 MARCH 2010

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS		
For the period ended 31 March 2010 (The figures have not been audited)		
	31 March 2010 RM'000	31 March 2009 RM'000
Net cash generated from operating activities	122,123	13,524
Net cash generated used in investing activities	(84,394)	(10,712)
Net cash generated from/(used in) financing activities	48,980	(20,967)
Net increase/ (decrease) in cash and cash equivalents	86,709	(18,155)
Cash and cash equivalents at beginning of financial period	89,700	91,424
Cash and cash equivalents at end of financial period	176,409	73,269
	RM'000	RM'000
Cash and cash equivalents at end of financial period	176,409	73,269
Add : Fixed Deposits Pledged	396	1,652
Deposits, cash and bank balances at end of financial period	176,805	74,921

The notes set out on pages 5 to 21 form an integral part of, and should be read in conjunction with, this interim financial report.

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2009.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - FIRST QUARTER ENDED 31 MARCH 2010

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY											
For the period ended 31 March 2010 (The figures have not been audited)											
		Total equity attributable to owners of the Company									
		Non Distributable					Distributable				
		Share capital RM' 000	Share premium RM' 000	Capital reserve RM' 000	Treasury shares RM' 000	Fair value reserve RM' 000	Translation reserve RM' 000	Retained earnings RM' 000	Sub-total RM' 000	Minority Interests RM' 000	Total Equity RM' 000
3 months ended 31 March 2009											
	At 1 January 2009	250,000	86,092	26,370	(33,469)	-	-	258,658	587,651	24,228	611,879
	Total comprehensive income for the period							15,848	15,848	940	16,788
	Dividends to owners									(2,220)	(2,220)
	Treasury shares purchased - at cost				(1,279)				(1,279)		(1,279)
	At 31 March 2009	250,000	86,092	26,370	(34,748)	-	-	274,506	602,220	22,948	625,168
3 months ended 31 March 2010											
	At 1 January 2010, as previously stated	250,000	86,092	26,370	(34,748)	-	(35)	324,684	652,363	21,961	674,324
	- effect of adopting FRS 139					102		(2,585)	(2,483)	70	(2,413)
	At 1 January 2010, as restated	250,000	86,092	26,370	(34,748)	102	(35)	322,099	649,880	22,031	671,911
	Total comprehensive income for the period					8	382	13,989	14,379	102	14,481
	Dividends to owners									(1,140)	(1,140)
	Acquisition of minority interests in an existing subsidiary									(615)	(615)
	At 31 March 2010	250,000	86,092	26,370	(34,748)	110	347	336,088	664,259	20,378	684,637

The notes set out on pages 5 to 21 form an integral part of, and should be read in conjunction with, this interim financial report.
The consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2010

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of preparation

The consolidated interim financial statements have been prepared in accordance with FRS 134, *Interim financial Reporting* and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

A limited review on this Quarterly Report has been undertaken by the Company's External Auditors.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2009.

2. Significant accounting policies

2.1 Changes in accounting policies

The significant accounting policies adopted in the interim financial report are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2009, except for the adoption of the following standards, amendments and interpretations which are effective for annual periods beginning on or after the respective dates indicated herein:

Standard / Amendment / Interpretation	Effective date
FRS 8, <i>Operating Segments</i>	1 July 2009
FRS 7, <i>Financial Instruments: Disclosures</i>	1 January 2010
Amendments to FRS 101, <i>Presentation of Financial Statements</i>	1 January 2010
FRS 101, <i>Presentation of Financial Statements (revised)</i>	1 January 2010
FRS 123, <i>Borrowing Costs (revised)</i>	1 January 2010
FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
Amendments to FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
Improvements to FRSs (2009)	1 January 2010
IC Interpretation 10, <i>Interim Financial Reporting and Impairment</i>	1 January 2010

FRS 139. Financial Instruments: Recognition and Measurement

The adoption of FRS 139 has resulted in changes in accounting policies relating to recognition and measurement of financial instruments and the new accounting policies are as follows:-

Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2010

NOTES TO THE INTERIM FINANCIAL REPORT

2. Significant accounting policies (continued)

2.1 Changes in accounting policies (continued)

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

Financial instrument categories and subsequent measurement

The Group categorises financial instruments as follows:-

Financial assets

a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a designated and effective hedging instrument) of financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

b) Held-to-maturity investments

Held-to-maturity investments category comprises debt instruments that are quoted in an active market and the Group has the positive intention and ability to hold them to maturity.

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

c) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

d) Available-for-sale financial assets

Available-for-sale category comprises investments in equity and debt securities instruments that are not held for trading.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2010

NOTES TO THE INTERIM FINANCIAL REPORT

2. Significant accounting policies (continued)

2.1 Changes in accounting policies (continued)

d) Available-for-sale financial assets (continued)

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

- a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2010

NOTES TO THE INTERIM FINANCIAL REPORT

2. Significant accounting policies (continued)

2.1 Changes in accounting policies (continued)

The application of the above new policies has the following effects:

Group <i>In thousand of RM</i>	Fair value reserve		Retained earnings	
	2010	2009	2010	2009
At 1 January, as previously stated	-	-	324,684	258,658
Adjustments arising from adoption of FRS 139:				
- Fair value of equity securities classified as available-for-sale	102	-	-	-
- Remeasurement of trade and other receivables, net of tax	-	-	(5,746)	-
- Remeasurement of trade and other payables	-	-	3,161	-
	102	-	(2,585)	-
At 1 January, as restated	102	-	322,099	258,658

FRS 7, FRS 8 and FRS 101 only impact presentation and disclosure aspects of the financial statements.

Prior to the adoption of the revised FRS 123 (revised), *Borrowing Costs*, the Group expensed all borrowing costs as and when they were incurred. With the adoption of the revised FRS 123, to the Group capitalises borrowing costs that are directly attributable to the acquisition or construction of qualifying assets that take a substantial period of time to get them ready for their intended use. The adoption of FRS 123 (revised) does not have a material impact to the Group.

2.2 Standards, amendments and interpretations yet to be effective

The Group has not applied the following standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board but are only effective for annual periods beginning on or after the respective dates indicated herein:

Standard / Amendment / Interpretation	Effective date
FRS 1, <i>First-time Adoption of Financial Reporting Standards</i> (revised)	1 July 2010
FRS 3, <i>Business Combinations</i> (revised)	1 July 2010
Amendments to FRS 132, <i>Financial Instruments: Presentation on Clarification of Rights Issues</i>	1 March 2010



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2010

NOTES TO THE INTERIM FINANCIAL REPORT

2. Significant accounting policies (continued)

2.2 Standards, amendments and interpretations yet to be effective (continued)

Standard / Amendment / Interpretation	Effective date
FRS 127, <i>Consolidated and Separate Financial Statements</i> (revised)	1 July 2010
Amendments to FRS 2, <i>Share-based Payment</i>	1 July 2010
Amendments to FRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 July 2010
Amendments to FRS 138, <i>Intangible Assets</i>	1 July 2010
Amendments to IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	1 July 2010
IC Interpretation 12, <i>Service Concession Agreements</i>	1 July 2010
IC Interpretation 15, <i>Agreements for the Construction of Real Estate</i>	1 July 2010
IC Interpretation 16, <i>Hedges of a Net Investment in a Foreign Operation</i>	1 July 2010
IC Interpretation 17, <i>Distribution of Non-cash Assets to Owners</i>	1 July 2010
Amendments to FRS 1, <i>Limited Exemption from Comparative FRS 7, Disclosure for First-time Adopters</i>	1 January 2011
Amendments to FRS 7, <i>Improving Disclosures about Financial Instruments</i>	1 January 2011

The Group plans to apply from the annual period beginning on 1 January 2011 those standards, amendments and interpretations as listed above that are effective for annual periods beginning on or after 1 March 2010, except FRS 1 (revised), Amendments to FRS 2, Amendments to FRS 5, Amendments to FRS 132, Amendments to IC Interpretation (“ICI”) 9, ICI 12, ICI 16 and ICI 17 which are not applicable to the Group.

The initial application of a standard, an amendment or an interpretation, which is to be applied prospectively, is not expected to have any financial impacts to the financial statements for the current and prior periods upon their first adoption.

FRS 3 (revised), which is to be applied prospectively, incorporates the following changes to the existing FRS 3:

- The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations.
- Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss.
- Transaction costs, other than share and debts issue costs, will be expensed as incurred.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2010

NOTES TO THE INTERIM FINANCIAL REPORT

2. Significant accounting policies (continued)

2.2 Standards, amendments and interpretations yet to be effective (continued)

- Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.
- Any minority (will be known as non-controlling) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

The amendments to FRS 127 require changes in group composition to be accounted for as equity transactions between the group and its minority (will be known as non-controlling) interest holders.

The amendments for FRS 127 further require all losses attributable to minority interest to be absorbed by minority interest i.e., the excess and any further losses exceeding the minority interest in the equity of a subsidiary are no longer charged against the Group's interest. Currently, such losses are charged against the Group's interest.

The above changes in FRS 127 are not expected to have material impacts to the Group.

The amendments to FRS 138, to be applied retrospectively, clarify, inter alia, that other amortisation methods, apart from the straight line method, may be used for intangible assets with finite useful lives. The adoption of any of the amendments to FRS 138 will result in a change in accounting policy.

ICI 15 replaces the existing FRS 201₂₀₀₄, *Property Development Activities* and provides guidance on how to account for revenue from construction of real estate. The adoption of ICI 15 by the Group for the year ending 31 December 2011, which is to be applied retrospectively, will result in a change in accounting policy in that the recognition of revenue from the property development activities will change from the percentage of completion method to the completed method. The Group is currently assessing the impact of the adoption of this interpretation.

Financial Reporting Standards will be fully converged with International Financial Reporting Standards by 1 January 2012. The financial impact and effects on disclosures and measurement consequent on such convergence are dependent on the issuance of such new or revised standards, amendments and interpretations by Malaysian Accounting Standards Board as are necessary to effectuate the full convergence.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2010

NOTES TO THE INTERIM FINANCIAL REPORT

3. 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.

4. Unusual items

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

5. 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.

6. 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.

There was no share buy-back during the period. The number of ordinary shares repurchased in earlier periods retained as treasury shares as at 31 March 2010 are 13,056,000 shares.

7. Dividends paid

There were no dividends paid during the quarter under review.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2010

NOTES TO THE INTERIM FINANCIAL REPORT

8. Segmental reporting

	Segment revenue		Segment results	
	----- 3 months ended 31 March -----			
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Property development	49,591	26,648	19,726	8,537
Construction	67,919	60,089	(3,660)	6,178
Sale of goods/services	10,012	14,015	(449)	2,728
	127,522	100,752	15,617	17,443
Inter Segment	(4,169)	(5,445)	(99)	(1,061)
	123,353	95,307	15,518	16,382
Oil and gas – share of results of associate (net of tax)			4,687	4,011
			20,205	20,393
Unallocated expenses			(309)	(318)
Income from investments			391	68
Finance costs			(1,484)	(472)
Share of results of non oil-and-gas associates (net of tax)			95	84
Share of results of joint ventures (net of tax)			321	1,795
Profit before tax			19,219	21,550
Income tax expense			(5,128)	(4,762)
Profit for the period			14,091	16,788
Other comprehensive income (net of tax)			390	-
Total comprehensive income for the period (net of tax)			14,481	16,788
Total comprehensive income attributable to:				
Owners of the Company			14,379	15,848
Minority Interests			102	940



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2010

NOTES TO THE INTERIM FINANCIAL REPORT

9. Investment property

	As at 31 March	
	2010	2009
	RM'000	RM'000
Building, stated at carrying amount	-	460
	-----	-----
Indicative fair value	-	863
	-----	-----

10. 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.

11. Changes in the composition of the Group

On 11 February 2010, Naim Overseas Sdn Bhd (“NOSB”) acquired 999,999 ordinary shares of F\$1.00 each in Naim Quarry (Fiji) Limited (“NQFL”), representing 99.99% of the equity thereof, for a consideration of F\$999,999. Only 2 ordinary shares of F\$1.00 (totaling RM3) were paid as at the date of this report.

On 17 March 2010, NOSB also subscribed for 999,998 ordinary shares of F\$1.00 each in Naim Premix (Fiji) Limited (“NPFL”), representing 99.99% of the equity interest thereof, for a consideration of F\$998,998. The shares subscribed remains unsettled as at the date of this report.

NCSB Engineering Sdn. Bhd. acquired an additional 450,000 ordinary shares of RM1.00 each in Plus Viable Sdn Bhd (“PVSB”) from a minority shareholder on 1 March 2010 for a cash consideration of RM585,000. The resultant group equity interest in PVSB has increased from 70% to 85% following the acquisition.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2010

NOTES TO THE INTERIM FINANCIAL REPORT

12. Contingent liabilities

There were no contingent liabilities in respect of the Group that had arisen since 31 December 2009 till the date of this quarterly report.

13. Capital commitments

	As at 31 March	
	2010	2009
	RM'000	RM'000
Authorised and contracted for		
Property, plant and equipment	22,868	11,991
Authorised but not contracted for		
Acquisition of land bank	174,299*	128,450*
Investment property	49,910	60,364
Property, plant and equipment	24,629	5,761
	<u>97,407</u>	<u>206,566</u>

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

14. Key Management Personnel compensations

Total compensations to directors of the Company and other members of key management during the period under review are as follows:

	3 months ended	
	31 March	
	2010	2009
	RM'000	RM'000
Directors of the Company	1,451	1,482
Other key management personnel	<u>1,403</u>	<u>1,595</u>
	<u>2,854</u>	<u>3,077</u>



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2010

NOTES TO THE INTERIM FINANCIAL REPORT

15. Significant related party transactions

	Transaction value 3 months ended 31 March		Balance outstanding as at 31 March	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Transactions with associates				
Sales of construction materials	-	-	17	50
Purchase of raw materials	188	356	315	300
Construction costs paid	563	5,664	(1,682)	(2,245)
Transactions with unincorporated joint venture				
Construction contract revenue	7,752	197	(5,637)	2,028
Transactions with Directors of the Company and its subsidiaries and with companies connected to them				
Procurement of IT services	-	-	-	(23)
Donation to Tabung Amanah Naim	-	-	33	173
Rental of premises expenses	5	22	-	(5)
Advertisement charges	-	-	(14)	(11)
Construction costs paid	74	-	(403)	(861)
Purchase of construction materials	4	-	(108)	323
Sales of construction materials	-	-	-	266
Advisory fee paid	15	45	-	-



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2010

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

(I) Review of performance

The Group recorded revenue of RM123 million in the period under review as against RM95 million recorded in the corresponding period in 2009.

Profit before tax for the period was RM19 million against RM22 million achieved in the same period in 2009 under review.

Its associate, Dayang Enterprise Holdings Berhad continues to contribute positively to the earnings of the Group for the period.

(II) Comparison with preceding quarter's results

The revenue and profit before tax for the current quarter were RM123 million and RM19 million respectively compared to RM152 million and RM25 million respectively in the immediate preceding quarter.

(III) Prospect for 2010

Barring any unforeseen circumstances, the Group is confident of achieving another year of favourable results in 2010.

(IV) Profit guarantee

The Group did not issue any profit guarantee.

(V) Tax expense

	3 months ended 31 March	
	2010 RM'000	2009 RM'000
Current tax expense Malaysian - current	5,939	5,104
Deferred tax expense Malaysian - current	(811)	(342)
Total	<u>5,128</u>	<u>4,762</u>



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2010

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

(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) Other investments

Investments in quoted shares and unit trusts:

	As at 31 March					
	Quoted shares		Unit trusts		Total	
	2010	2009	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost	263	594	249	232	512	826
Carrying Value	55	280	296	170	351	450
Market Value	55	423	296	202	351	625

Movement in quoted shares and unit trusts:

	Current quarter 3 months ended 31 March 2010 RM'000	Cumulative quarter 3 months ended 31 March 2010 RM'000
Total disposals	(330)	(330)



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2010

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

(VIII) (a) Status of corporate proposals

There are no corporate proposals announced 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 (now known as “Main Market”) of Bursa Malaysia in 2003 amounting to RM60.547 million have been fully utilised.

(IX) Group borrowings and debt securities

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

			As at 31 March		
			Currency	2010	2009
				RM'000	RM'000
Current					
Secured	-	Finance Leases	RM	2,427	787
	-	Bank loans	RM	36	-
Unsecured	-	Revolving Credits	RM	112,385	53,175
	-	Bank loans	USD	13,084	-
	-	Bonds	RM	55,000	-
				<u>182,932</u>	<u>53,962</u>
Non-Current					
Secured	-	Finance Leases	RM	8,966	3,335
	-	Bank loans	RM	869	-
				<u>192,767</u>	<u>57,297</u>

(X) Off balance sheet financial instruments

With the adoption of FRS 139, the Group does not have any financial instruments with off balance sheet risk.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2010

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

(XI) Changes in material litigations

In March 2005, Naim Cendera Tujuh Sdn. Bhd. (“NC7”), the Company’s 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 (“NCR”) over part of NC7’s leasehold land known as Lot 30, Block 34, Kemena Land District, Bintulu. Approximately 100 acres out of a total of 700 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. The Court has fixed 27 May 2010 for mention of the matter. 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. In the meantime, NC7 has filed an application to strike out the claim which is now fixed for mention on 5 July 2010.

On 24 June 2008, a wholly owned subsidiary, Khidmat Mantap Sdn Bhd (“KMSB”), received a Writ of Summons and Statement of Claim from 2 persons claiming to have NCR over a parcel of land described as Lot 533, Block 14, Muara Tuang Land District situated at Merdang Limau, Samarahan, Sarawak which has been alienated to KMSB. KMSB’s solicitors filed an Appearance on 2 July 2008 and Statement of Defence on 28 July 2008 on behalf of KMSB, which was named as the first of the three defendants in the suit. On 23 February 2009, the High Court ruled to allow KMSB’s application to strike out the action with costs to be taxed unless agreed. The Plaintiffs then filed the Notice of Appeal on 12 March 2009 to the Court of Appeal against the aforesaid decision of the High Court. No date has been fixed for hearing of the appeal to date. The Directors, in consultation with KMSB’s solicitors, are of the opinion that KMSB has a strong defence in the case.

On 27 June 2008, a wholly owned subsidiary, Naim Cendera Lapan Sdn Bhd (“NC8”) was served with an Order of Interim Injunction by the High Court upon application made by 7 persons claiming that NC8 had encroached into parcels of land known locally as Derod Mawah and Tana Spunged Sarawak over which they claimed to have NCR. The relevant authorities had issued to NC8 a licence to operate a quarry on and remove stones from all the parcel of land situated at Gunung Rumbang, Padawan which is adjacent to the earlier-mentioned land. On 11 July 2008, the Interim Injunction was discharged by mutual agreement and upon an undertaking given by NC8 to the Court. NC8 is allowed to enter and work in the undisputed area but is not permitted to commence blasting (save for blasting to obtain a 2 cubic meter rock for testing as decided by the Court on 9 September 2008) until the next inter-partite hearing, set for 5 November 2008. NC8 filed its defence on 22 July 2008 stating, inter alia, that NC8 had lawfully entered the quarry area with the consent of the affected residents and that the licensed area is substantially outside the area claimed by the Plaintiffs. On 24 November 2008, the High Court ruled that the Interim Injunction be dismissed with costs. On 23 December 2008, the Plaintiffs filed an appeal against the High Court’s dismissal, which appeal was subsequently withdrawn by consent on 25 March 2009. The Court has fixed the matter on 1 July 2010 for continuation of trial for cross examination of the Plaintiffs’ expert witness.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2010

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

(XI) Changes in material litigations (continued)

On 20 March 2009, NCSB received two Writs of Summons and Statements of Claim from 4 persons collectively claiming against NCSB, the Superintendent of Land & Survey, Miri Division and the State Government of Sarawak to have NCR over an area of approximately 38 acres within the land described as Lot 4281, Block 10 Kuala Baram Land District, Miri Sarawak, which is within NCSB's existing township areas of over 2,700 acres. NCSB's solicitors have filed an Appearance on 27 March 2009 and Statement of Defence and Counterclaim/Set-Off on 4 May 2009, respectively. The Trial is fixed for 19 to 23 July 2010.

On 26 October 2009, NCSB received a Writ of Summons and Statement of Claim from 6 persons suing on behalf of themselves and 25 other families against NCSB, the Superintendent of Lands & Surveys Kuching Division, the State Government of Sarawak and the Government of Malaysia claiming to have NCR over an area over which NCSB has been awarded a contract to design and construct the proposed Bengoh Dam. At present, the construction of the said dam is on schedule. NCSB's Statement of Defence dated 19 January 2010 has been filed and the Court has now fixed for further mention on 14 June 2010.

(XII) Dividends

The Board has declared a second interim tax exempt dividend, in respect of the financial year ended 31 December 2009, of 5 sen per ordinary share totalling RM11.847 million, payable to shareholders on 14 April 2010. The dividend entitlement date was 16 March 2010.



NAIM HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2010

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

(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	
	2010	2009
Net profit attributable to shareholders of the Company (RM'000)	13,993	15,848
Weighted average number of ordinary shares in issue (‘000)	236,944	237,373
Basic earnings per ordinary shares (sen)	5.91	6.68

(XIV) Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements for the financial year ended 31 December 2009 was unqualified.

(XV) Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 May 2010.