



NAIM CENDERA HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - SECOND QUARTER ENDED 30 JUNE 2007

CONDENSED CONSOLIDATED INCOME STATEMENT				
For the quarter ended 30 June 2007				
(The figures have not been audited)				
	CURRENT QUARTER		CUMULATIVE QUARTER	
	<i>3 months ended 30 June</i>		<i>6 months ended 30 June</i>	
	2007	2006	2007	2006
	RM' 000	RM'000	RM' 000	RM'000
Revenue	185,354	114,806	319,779	214,240
Cost of sales	(148,074)	(93,954)	(245,367)	(161,275)
Gross profit	37,280	20,852	74,412	52,965
Other income	2,251	690	3,798	2,772
Administration expenses	(6,861)	(6,639)	(12,711)	(11,165)
Selling and distribution expenses	(1,068)	(630)	(1,839)	(1,284)
Other expenses	(817)	(235)	(817)	(370)
Finance costs	(51)	(8)	(98)	(28)
Share of profit of associates, net of tax	236	188	418	375
Share of profit of joint ventures, net of tax	941	698	1,488	1,309
Profit before taxation	31,911	14,916	64,651	44,574
Income tax expense	(8,637)	(4,140)	(17,877)	(12,296)
Profit for the period	23,274	10,776	46,774	32,278
Attributable to:				
Equity holders of the parent	22,205	10,184	44,879	28,712
Minority interests	1,069	592	1,895	3,566
	23,274	10,776	46,774	32,278
Basic earnings per ordinary share attributable to equity holders of the parent (sen)	Note XIII	9.08	4.17	18.36
			11.74	

The notes set out on pages 5 to 16 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 - SECOND QUARTER ENDED 30 JUNE 2007

CONDENSED CONSOLIDATED BALANCE SHEET			
As at 30 June 2007 (The figures have not been audited)			
	Notes	30 June 2007 RM' 000	31 December 2006 RM' 000
ASSETS			
Non-current assets			
Property, plant and equipment		23,691	25,542
Land held for property development		133,585	136,614
Investment properties	11	483	490
Prepaid lease payments		18,469	18,650
Intangible assets		1,780	2,133
Interest in associates		4,412	3,994
Interest in joint ventures		9,480	7,638
Other investments		461	449
Deferred tax assets		588	588
		192,949	196,098
Current assets			
Property development costs		198,379	191,788
Inventories		15,778	14,837
Trade and other receivables		314,935	269,109
Deposits, cash and bank balances		100,215	122,009
		629,307	597,743
		822,256	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		202,225	169,839
Treasury shares		(16,315)	(16,315)
Equity attributable to equity holders of the company		522,202	489,816
Minority interests		35,682	39,890
TOTAL EQUITY		557,884	529,706
Non-current liabilities			
Borrowings		822	1,124
Deferred tax liabilities		57,614	59,012
		58,436	60,136
Current Liabilities			
Trade and other payables		203,544	203,422
Borrowings		599	557
Taxation		1,793	20
		205,936	203,999
TOTAL LIABILITIES		264,372	264,135
TOTAL EQUITY AND LIABILITIES		822,256	793,841
Net assets per share attributable to equity holders of the parent(RM)		2.09	1.96

The notes set out on pages 5 to 16 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 - SECOND QUARTER ENDED 30 JUNE 2007

CONDENSED CONSOLIDATED CASH FLOW STATEMENT		
For the period ended 30 June 2007 (The figures have not been audited)		
	30 June 2007 RM'000	30 June 2006 RM'000
Net cash (used in)/generated from operating activities	(481)	16,556
Net cash (used in) investing activities	(2,238)	(9,745)
Net cash (used in) financing activities	(19,075)	(41,568)
Net decrease in cash and cash equivalents	(21,794)	(34,757)
Cash and cash equivalents at beginning of financial period	120,357	131,817
Cash and cash equivalents at end of financial period	<u>98,563</u>	<u>97,060</u>
	RM'000	RM'000
Cash and cash equivalents at end of financial period	98,563	97,060
Add: Fixed Deposits Pledged	1,652	2,111
Deposits, cash and bank balances at end of financial period	<u>100,215</u>	<u>99,171</u>

The notes set out on pages 5 to 16 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 - SECOND QUARTER ENDED 30 JUNE 2007

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY										
For the period ended 30 June 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			Sub-total RM' 000
6 months ended 30 June 2006 (Restated)										
At 1 January 2006		250,000	86,092	-	16,224	122,793	(15,610)	459,499	36,404	495,903
Effects of adopting FRS 3					(16,224)	16,224		-		-
As Restated		250,000	86,092	-	-	139,017	(15,610)	459,499	36,404	495,903
Profit for the period						28,712		28,712	3,566	32,278
Dividends paid						(35,207)		(35,207)	(5,675)	(40,882)
Treasury shares purchased - at cost							(704)	(704)		(704)
Acquisition of Minority Interests in existing subsidiary								-	(40)	(40)
At 30 June 2006		250,000	86,092	-	-	132,522	(16,314)	452,300	34,255	486,555
6 months ended 30 June 2007										
At 1 January 2007		250,000	86,092	200	-	169,839	(16,315)	489,816	39,890	529,706
Profit for the period						44,879		44,879	1,895	46,774
Dividends paid						(12,493)		(12,493)	(6,103)	(18,596)
At 30 June 2007		250,000	86,092	200	-	202,225	(16,315)	522,202	35,682	557,884

The notes set out on pages 5 to 16 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 – SECOND QUARTER ENDED 30 JUNE 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 the 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.



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – SECOND QUARTER ENDED 30 JUNE 2007

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 the revised FRS 117:

a) Consolidated balance sheet

Other than the reclassification of leases of land to prepaid lease payments (see below), the adoption of the revised FRS 117 has no financial impact to the Group.

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

2.3 Impending change of accounting policies

The Group has not adopted the following revised/amended FRSs, which are effective for annual reporting periods beginning on or after 1 July 2007.

Effective date 1 July 2007

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of these revisions/amendments is not expected to have any material impact on the financial statements of the Group.



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – SECOND QUARTER ENDED 30 JUNE 2007

NOTES TO THE INTERIM FINANCIAL REPORT

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.

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

An interim dividend of 7 sen per share less tax of 27% for the year ending 31 December 2007 was paid on 12 June 2007.

RM'000

12,493



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – SECOND QUARTER ENDED 30 JUNE 2007

NOTES TO THE INTERIM FINANCIAL REPORT

9. Segmental reporting

	Segment revenue		Segment results	
	-----6 months ended 30 June -----			
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Property development	97,276	95,158	29,755	25,300
Construction	201,073	99,907	31,307	15,988
Sale of goods/services	33,770	22,013	5,041	1,641
	<u>332,119</u>	<u>217,078</u>	<u>66,103</u>	<u>42,929</u>
Inter Segment	(12,340)	(2,838)	(4,337)	(203)
	<u>319,779</u>	<u>214,240</u>	<u>61,766</u>	<u>42,726</u>
Unallocated expenses/income			(347)	(777)
Income from investments			1,424	969
Finance costs			(98)	(28)
Share of profit of associates			418	375
Share of profit of joint ventures			<u>1,488</u>	<u>1,309</u>
Profit before tax			<u>64,651</u>	<u>44,574</u>
Income tax expense			<u>(17,877)</u>	<u>(12,296)</u>
Profit for the period			<u>46,774</u>	<u>32,278</u>
Attributable to:				
Equity holders of the parent			44,879	28,712
Minority Interests			<u>1,895</u>	<u>3,566</u>

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.



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – SECOND QUARTER ENDED 30 JUNE 2007

NOTES TO THE INTERIM FINANCIAL REPORT

11. Investment properties

	As at 30 June	
	2007	2006
	RM'000	RM'000 (Restated)
Building, stated at carrying amount	483	496
	-----	-----
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 first quarter, 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 – SECOND QUARTER ENDED 30 JUNE 2007

NOTES TO THE INTERIM FINANCIAL REPORT

15. Capital commitments

	As at 30 June	
	2007	2006
	RM'000	RM'000
Authorised and contracted for		
Purchase of computer software	190	190
Authorised but not contracted for		
Acquisition of land bank	201,000*	307,948*
Investment property	79	55,043
Buildings	183	319
Motor Vehicles	1,631	-
Furniture, Fittings & Equipments	1,395	-
Plant and Machinery	1,934	13,513
Office Renovation	1,298	1,150
Information Technology Systems	2,631	1,613
	<u>210,151</u>	<u>379,586</u>
	<u>210,341</u>	<u>379,776</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:

	6 months ended	
	30 June	
	2007	2006
	RM'000	RM'000
Directors of NCHB	3,411	3,471
Other key management personnel	<u>4,481</u>	<u>3,301</u>
	<u>7,892</u>	<u>6,772</u>



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QUARTERLY REPORT – SECOND QUARTER ENDED 30 JUNE 2007

NOTES TO THE INTERIM FINANCIAL REPORT

17. Significant related party transactions

	Transaction value 6 months ended 30 June		Balance outstanding as at 30 June	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Transactions with associates				
Sale of construction materials	(1,481)	(2,701)	914	2,071
Purchase of raw materials	576	1,106	(257)	(833)
Construction cost paid	11,189	3,591	(5,216)	(608)
Machinery rental income	(317)	-	1,217	-
Transactions with unincorporated joint venture				
Construction contract revenue	19,538	-	8,942	-
Transactions with Directors of the Company and its subsidiaries and with companies connected to them				
Procurement of IT services	-	140	(47)	(183)
Procurement of equipment	6,025	-	(4,915)	-
Rental expenses	10	-	4	-
Advertisement charges	19	-	1	-
Purchase of construction materials	-	1,218	-	-
Construction cost paid	4,158	-	(1,860)	-
Sales of construction materials	(350)	-	263	-
Watchman and cleaning services	-	19	-	-
Rental paid	14	14	2	2
Advisory fee paid	60	60	-	-

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



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – SECOND QUARTER ENDED 30 JUNE 2007

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

(I) Review of performance

The Group recorded revenue of RM320 million in the period under review as against RM214 million recorded in 2006, an increase of 49%. Profit before tax for the period was RM65 million against RM45 million achieved in 2006.

Contribution to revenue from the construction division increased from 47% in the corresponding period of the preceding year to 63% in the current period.

(II) Comparison with preceeding quarter's results

The revenue and profit before tax for the current quarter were RM185 million and RM32 million respectively compared to RM134 million and RM33million 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 Group profits based on the actual sales achieved to date.

There are no changes to the prospects or matters as disclosed in the last quarter except that the Letter of Acceptance for The Proposed Bengoh Dam project has been received on 19 July 2007, in addition to the Letter of Acceptance for the Proposed Upgrading of Access Road to Mukah Project, which was received on 29 June 2007.

We are on track to achieving our targets for 2007, barring unforeseen circumstances.



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – SECOND QUARTER ENDED 30 JUNE 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

	6 months ended 30 June	
	2007 RM'000	2006 RM'000 (Restated)
Current tax expense		
Malaysian - current	19,275	14,144
Deferred tax expense		
Malaysian - current	(1,398)	(1,848)
Total	<u>17,877</u>	<u>12,296</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 30 June					
	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	188	836	825
Carrying Value	324	324	137	125	461	449
Market Value	953	470	304	203	1,257	673



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – SECOND QUARTER ENDED 30 JUNE 2007

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

(VIII) (a) Status of corporate proposals

The Company had on 24 May 2007 entered into a conditional share sale agreement for proposed acquisitions of 45% equity interests in Dayang Enterprise Sdn Bhd, DESB Marine Services Sdn Bhd and Fortune Triumph Sdn Bhd for an aggregate cash consideration of RM87,750,000.

The completion of the proposed acquisitions are conditional upon and subject to the fulfillment of conditions precedent within a period of one hundred eighty days, with an automatic extension for another period of thirty days or such other period as may be mutually agreed upon by the parties.

Securities Commission has approved the proposed acquisition under the Guidelines of Acquisition of Interests, Mergers and Takeovers by Local and Foreign Interest and proposed exemption under Practice Note 2.9.6 of the Malaysian Code on Take-Overs and Mergers, 1998 from the mandatory offer obligation for the remaining voting shares in Dayang Enterprise Sdn. Bhd. and DESB Marine Services Sdn. Bhd. not owned by the Company upon completion of the proposed acquisitions

Save for the above, there are no other corporate proposals 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	(2,208)	-	5,192
Purchase of information technology systems	3,082	(3,082)	-	-
Repayment of bank borrowings	7,430	(7,156)	-	274
Listing expenses	4,600	(4,523)	(77)	-
Working capital	13,035	(13,112)	77	-
	60,547	(36,120)	-	24,427

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



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – SECOND QUARTER ENDED 30 JUNE 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 30 June	
		2007	2006
		RM'000	RM'000
Current			
Secured	- Hire Purchase	599	525
Unsecured	- Bankers' Acceptances	-	253
Non-Current			
Secured	- Hire Purchase	822	750
		<hr/>	<hr/>
		1,421	1,528

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.



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QUARTERLY REPORT – SECOND QUARTER ENDED 30 JUNE 2007

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

(XII) Dividends

Total dividend paid for the financial year ending 31 December 2007 to date	RM'000 12,493
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(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.

	6 months ended 30 June	
	2007	2006
Net profit attributable to shareholders of the Company (RM'000)	44,879	28,712
Weighted average number of ordinary share in issue ('000)	244,491	244,495
Basic earnings per ordinary shares (sen)	18.36	11.74