NAIM CENDERA HOLDINGS BERHAD *(585467-M)*

QUARTERLY REPORT - FOURTH QUARTER ENDED 31 DECEMBER 2006

CONDENSED CONSOLIDATED INCOME STATEMENT
For the quarter ended 31 December 2006
(The figures have not been audited)

		CURRENT QUARTER		CUMULATIVE QUARTER	
		3 months ended 31 December		*12 months ended 31 December*	
		2006 RM' 000	2005 RM'000 (Restated)	2006 RM' 000	2005 RM'000 (Restated)
Revenue		201,265	179,886	530,549	423,094
Cost of sales		(156,068)	(124,240)	(400,880)	(287,526)
Gross profit		45,197	55,646	129,669	135,568
Other income		3,840	(44)	7,528	6,869
Administration expenses		(10,098)	(8,748)	(27,433)	(24,132)
Selling and distribution expenses		(1,905)	(630)	(4,837)	(3,053)
Other expenses		(418)	-	(836)	-
Finance costs		(43)	(47)	(95)	(83)
Reserve on consolidation recognised		-	1,565	-	6,268
Share of profit of associate, net of tax		229	52	848	416
Share of profit of jointly controlled entities, net of tax		1,323	(208)	3,688	1,275
Profit before taxation		38,125	47,586	108,532	123,128
Income tax expense		(13,727)	(14,089)	(33,583)	(34,153)
Profit for the period		24,398	33,497	74,949	88,975
Attributable to:					
Equity holders of the parent		23,218	32,220	67,276	79,145
Minority interests		1,180	1,277	7,673	9,830
		24,398	33,497	74,949	88,975
Basic earnings per ordinary share attributable to equity holders of the parent (sen)	Note XIII	9.50	13.08	27.52	32.04

The notes set out on pages 5 to 25 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 2005.

NAIM CENDERA HOLDINGS BERHAD *(585467-M)*

QUARTERLY REPORT - FOURTH QUARTER ENDED 31 DECEMBER 2006

CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 December 2006
(The figures have not been audited)

	Notes	31 December 2006 RM' 000	31 December 2005 RM' 000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment		44,192	40,791
Investment properties	2, 11	490	503
Investment in associates		4,011	2,183
Investment in jointly controlled entities		10,553	3,865
Other investments		449	441
Land held for property development		141,742	143,206
Deferred tax assets		377	377
		201,814	**191,366**
Current assets			
Inventories		14,150	16,651
Property development costs		186,806	167,538
Trade and other receivables		274,053	200,794
Deposits, cash and bank balances		122,046	133,928
		597,055	**518,911**
TOTAL ASSETS		**798,869**	**710,277**
EQUITY AND LIABILITIES			
Share capital		250,000	250,000
Share premium		86,092	86,092
Capital reserve		200	-
Retained profits		170,886	122,793
Reserve on Consolidation	2	-	16,224
Treasury shares		(16,314)	(15,610)
Equity attributable to equity holders of the company		**490,864**	**459,499**
Minority interests		38,357	36,404
TOTAL EQUITY		**529,221**	**495,903**
Non-current liabilities			
Borrowings		1,126	51
Deferred tax liabilities		58,181	62,210
		59,307	**62,261**
Current Liabilities			
Trade and other payables		207,595	136,124
Borrowings		563	184
Taxation		2,183	15,805
		210,341	**152,113**
TOTAL LIABILITIES		**269,648**	**214,374**
TOTAL EQUITY AND LIABILITIES		**798,869**	**710,277**
Net assets per share attributable to equity holders of the parent(RM)		**1.96**	**1.84**
		-	-

The notes set out on pages 5 to 25 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 2005.

NAIM CENDERA HOLDINGS BERHAD *(585467-M)*

QUARTERLY REPORT - FOURTH QUARTER ENDED 31 DECEMBER 2006

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2006

(The figures have not been audited)

	31 December 2006 RM'000	31 December 2005 RM'000
Net cash generated from operating activities	38,647	55,560
Net cash (used in) investing activites	(8,054)	(6,224)
Net cash (used in) financing activities	(42,475)	(42,508)
Net (decrease)/increase in cash and cash equivalents	(11,882)	6,828
Cash and cash equivalents at beginning of financial year	131,817	124,989
Cash and cash equivalents at end of financial year	119,935	131,817

	RM'000	**RM'000**
Cash and cash equivalents at 31 December	119,935	131,817
Add: Fixed Deposits Pledged	2,111	2,111
Deposits, cash and bank balances at 31 December	122,046	133,928

The notes set out on pages 5 to 25 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 Financial Statements for the year ended 31 December 2005.

NAIM CENDERA HOLDINGS BERHAD(585467-M)

QUARTERLY REPORT - FOURTH QUARTER ENDED 31 DECEMBER 2006

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2006
(The figures have not been audited)

	Note	Total equity attributable to shareholders of the Company							Minority Interests	Total Equity
		Non Distributable				Distributable				
		Share capital	Share premium	Capital reserve	Reserve on consolidation	Retained profits	Treasury shares	Sub-total		
		RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
12 months ended 31 December 2005 (Restated)										
At 1 January 2005		250,000	86,092	-	22,520	68,579	(4,584)	422,607	32,405	455,012
Profit for the period		-	-	-	-	79,145	-	79,145	9,830	88,975
Treasury shares purchased - at cost		-	-	-	-	-	(11,026)	(11,026)	-	(11,026)
Reserve on consolidation recognized		-	-	-	(6,296)	-	-	(6,296)	-	(6,296)
Dividends paid		-	-	-	-	(24,931)	-	(24,931)	(5,831)	(30,762)
At 31 December 2005		250,000	86,092	-	16,224	122,793	(15,610)	459,499	36,404	495,903
12 months ended 31 December 2006										
At 1January 2006		250,000	86,092	-	16,224	122,793	(15,610)	459,499	36,404	495,903
Effects of adopting FRS 3	**2.2**	-	-	-	(16,224)	16,224	-	-	-	-
As Restated		250,000	86,092	-	-	139,017	(15,610)	459,499	36,404	495,903
Profit for the period		-	-	-	-	67,276	-	67,276	7,673	74,949
Dividends paid		-	-	-	-	(35,207)	-	(35,207)	(5,675)	(40,882)
Treasury shares purchased - at cost		-	-	-	-	-	(704)	(704)	-	(704)
Capitalisation of profits for bonus issue				200	-	(200)	-	-	-	-
Dilution in shareholdings held by Minority Interests		-	-		-	-	-	-	(45)	(45)
At 31 December 2006		250,000	86,092	200	-	170,886	(16,314)	490,864	38,357	529,221

The notes set out on pages 5 to 25 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 2005.

NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – FOURTH QUARTER ENDED 31 DECEMBER 2006

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 2005.

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 2005 except for the adoption of the following new/revised FRSs effective for financial period date commencing 1 January 2006:

FRS 2	Share-based Payments
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments : Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of FRS 2, 5, 102,110,116,121,127,128,131,132,133 and 138 does not have significant financial impact to the Group.

NOTES TO THE INTERIM FINANCIAL REPORT

2. Changes in accounting policies (continued)

With the adoption of the new / 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 new and revised FRSs

FRS 3 Business combinations & FRS 136 Impairment of assets

Prior to adoption of these FRSs, the Group amortized goodwill in income statements over a period of five years, subject to annual review for any impairment. FRS 3 requires goodwill to be recorded at cost less accumulated impairment losses. Review of impairment of goodwill is done on an annual basis or more frequently if events or changes in circumstances indicate that the goodwill might be impaired. Any impairment loss is recognized in income statements and subsequent reversal is not allowed in accordance with FRS 136.

FRS 3 requires that any excess of the Group's interest in the net fair value of acquirees' identifiable assets (including intangible assets), liabilities and contingent liabilities over the cost of acquisitions (previously referred to as "reserve on consolidation"), shall be recognized immediately in income statements. The FRS prohibits the recognition of reserve on consolidation in the balance sheet.

In accordance with the transitional provision of FRS 3, the remaining balance of reserve on consolidation brought forward from 31 December 2005 was derecognized by way of an adjustment to the opening retained earnings.

FRS 140 Investment properties

Investment properties are properties held either to earn rental income or are for capital appreciation or both. These properties which were previously classified as properties, plant and equipment have now been reclassified as investment properties following the adoption of FRS140, as shown in Note 2.2c. Investment properties are measured at amortized cost with their fair values disclosed. This change was accounted for under FRS108 which requires the comparative figure to be restated.

NOTES TO THE INTERIM FINANCIAL REPORT

2. Changes in accounting policies (continued)

2.2 The financial effects of changes in accounting policies and restatement of comparative figures as a result of the adoption of new and revised FRSs

a) Statement of changes in equity

The opening balance of total equity was amended to include minority interests following the adoption of FRS101. In addition, the opening retained profits as at 1 January 2006 increased by RM16.22 million after derecognizing the reserve on consolidation brought forward from 31 December 2005.

b) Consolidated income statement

Following the reversal of reserve on consolidation to the opening retained profits, the Group ceases to recognize reserve on consolidation in the income statement. Such reserve recognized in the income statements in the corresponding current and cumulative quarters were RM1.57 million and RM4.70 million respectively. The adoption of other FRSs also necessitated the following reclassifications:

	Previously stated RM'000	Re-classification RM'000	Restated RM'000
3 months ended 31 December 2005			
Share of profit of associates	63	(11)	52
Share of profit of jointly-controlled entities	(284)	76	(208)
Taxation	(14,024)	(65)	(14,089)
12 months ended 31 December 2005			
Share of profit of associates	601	(185)	416
Share of profit of jointly-controlled entities	1,775	(500)	1,275
Taxation	(34,838)	685	(34,153)

2. Changes in accounting policies (continued)

2.2 The financial effects of changes in accounting policies and restatement of comparative figures as a result of the adoption of new and revised FRSs

c) Consolidated balance sheet

The following comparatives were restated following adoption of FRS140 and FRS 3:

	Previously stated RM'000	Re-classification RM'000	Restated RM'000
As at 31 December 2005			
Properties, plant and equipment	41,294	(503)	40,791
Investment properties	-	503	503
As at 1 January 2006			
Retained profits	122,793	16,224	139,017
Reserve on consolidation	16,224	(16,224)	-

2.3 Impending change of accounting policies

The Group has not adopted the following FRSs, which are effective for annual reporting periods beginning on or after 1 October 2006, 1 January 2007 and 15 February 2007 respectively.

Effective date 1 October 2006		
FRS 117		Leases
FRS 124		Related Party Transaction
Effective date 1 January 2007		
$\text{FRS } 119_{2004}$ (Amendments)	*	Employee Benefits: Actuarial Gains and Losses, Group Plans and Disclosures
FRS 121 (Amendments)	*	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
FRS 6	*	Exploration for and Evaluation of Mineral Resources
Effective date 15 February 2007		
FRS 121 (Amendments)	*	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation

* Not applicable to the Group

NOTES TO THE INTERIM FINANCIAL REPORT

2. Changes in accounting policies (continued)

2.4 Impending change of accounting policies (continued)

It is anticipated that there would be some changes to accounting policies when the Group adopts the relevant new/revised FRSs in the first quarter of 2007.

By virtue of the exemption in paragraph 67B of FRS 117 and paragraph 22A of FRS 124, the impacts of applying FRS 117 and FRS 124 on the financial statements upon first adoption of these standards as required by paragraph 30(b) of FRS 108 are not disclosed.

3. Audit report

The financial statements of the Group for the year ended 31 December 2005 were not subject to any audit qualification.

4. Seasonality and cyclicality 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

Except disclosed below, there were no issuances, cancellations, repurchases, re-sales and repayments of debt and equity securities for the current period.

During the period under review:

- the Company bought back from the open market, 237,400 ordinary share of RM 1.00 each at an average price of RM2.968 per share. The total consideration paid for the shares brought back including transaction cost, was RM704,715 and was financed by internally generated funds.

  The shares bought back above are held as treasury shares in accordance with Section 67A of the Companies Act, 1965. None of the treasury shares held were resold or cancelled. The number of treasury shares held as at 31 December 2006 was 5,509,400.

- Khimat Mantap Sdn Bhd, a wholly owned subsidiary, increased its issued and paid up capital to RM200,000 from RM2 by a bonus issue of 199,998 ordinary shares of RM1 each. The bonus issue was created out of post-acquisition retained profits and thus the same amount of reserve was capitalized.

8. Dividends paid

	RM'000
A second interim dividend of 5 sen per share less tax of 28% for the financial year ended 31 December 2005 was paid on 8 March 2006.	8,801
An interim dividend of 15 sen per share less tax of 28% for the year ended 31 December 2006 was paid on 5 June 2006.	26,406
	35,207

9. Segmental reporting

	Segment revenue		Segment results	
	12 months ended 31 December			
	2006 RM'000	2005 RM'000 (Restated)	2006 RM'000	2005 RM'000 (Restated)
Property development	221,362	307,647	64,921	102,329
Construction	268,153	96,305	37,962	12,816
Sale of goods/services	49,267	25,596	2,951	1,536
	538,782	429,548	105,834	116,681
Inter Segment	(8,233)	(6,454)	(831)	(671)
	530,549	423,094	105,003	116,010
Unallocated expenses/income			(912)	(758)
Reserve on consolidation recognized			-	6,268
Finance cost			(95)	(83)
Share of profit of associate			848	416
Share of profit of jointly controlled entities			3,688	1,275
Profit before tax			108,532	123,128
Income tax expense			(33,583)	(34,153)
Profit for the year			74,949	88,975
Attributable to:				
Equity holders of the parent			67,276	79,145
Minority Interests			7,673	9,830

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 December	
	2006 RM'000	2005 RM'000 (Restated)
Building, stated at carrying amount	490	503
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.

13. Changes in the composition of the Group

During the 12 months ended 31 December 2006, Naim Cendera Sdn Bhd ("NCSB"), the wholly owned subsidiary of the Company, increased its shareholdings in

i) Naim Ready Mix Sdn Bhd from an effective interest of 61.2% to 80%; and

ii) Syarikat Usahasama RSB Management Services Sdn Bhd – Naim Cendera Sdn Bhd Joint Venture from 49% to 90%.

On 7 April 2006, NCSB acquired the entire equity interest in Sinohydronaim Sdn Bhd ("SHN"). On 10 April, the shareholdings in SHN were restructured to be 51% held by Sinohydro Corporation (M) Sdn Bhd and 49% held by NCSB.

14. Contingent liabilities

There were no contingent liabilities in respect of the Group that had arisen since 31 December 2005 till the date of this quarterly report.

15. Capital commitments

	As at 31 December 2006 RM'000	2005 RM'000
Authorised and contracted for		
Purchase of computer software	190	-
Building	-	-
	190	-
Authorised but not contracted for		
Acquisition of land bank	307,948*	-
Investment property	54,095	-
Buildings	217	-
Motor Vehicles	-	121
Furniture, Fittings & Equipments	-	528
Plant and Machinery	12,805	5,000
Office Renovation	1,150	476
Information Technology Systems	1,322	36
	377,537	6,161
	377,727	6,161

* Proposed to be financed by cash or equity or a combination of both

16. Significant related party transactions

	Note	12 months ended 31 December 2006 RM'000	2005 RM'000
TR Concrete Sdn Bhd	(a)		
Sale of construction materials		(4,967)	(1)
Purchase of raw materials and others		1,726	6,561
Sinohydronaim Sdn Bhd	(a)		
Construction cost paid		13,902	-
Sales of construction materials		(273)	-
Machinery rental income		(1,446)	-
Tanarak Sdn Bhd	(b)		
Procurement of information technology services		152	1,056
Sales of properties		532	-
Supply of equipment		7,568	-
Custodev Dua Sdn Bhd	(b)		
Rental expenses		22	-
Purchase of property, plant and equipment		-	4,569

16. Related party transactions (continued)

	Note	12 months ended 31 December 2006 RM'000	2005 RM'000
Donation to Tabung Amanah Naim, of which Datuk Abdul Hamed Bin Haji Sepawi is the chairman	(b)	1,197	500
Smartpiles Sdn Bhd	(c)		
Purchase of construction materials		1,233	399
Town Builder Realty Sdn Bhd	(d)		
Construction cost paid		3,088	-
Sales of construction materials		865	-
Sales of properties		558	-
Primehold Point Sdn Bhd	(e)		
Watchman and cleaning services		19	71
Sales of properties		-	(69)
HWS Properties Sdn Bhd	(e)		
Rental paid		26	27
Advisory fee paid to William Wei How Sieng		120	-
Sales of property, plant and equipment to William Wei How Sieng		-	(41)
Eastern Times News Sdn Bhd	(f)		
Advertisement charges		20	-

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

Note:

(a) Associates of the Group;

(b) Companies in which Datuk Abdul Hamed Bin Haji Sepawi has interests;

(c) Company in which Liew Lian Fa and Bong Kuat Khin (directors of a subsidiary) have interests;

(d) Company in which Mohamad Serkawini Bin Juni, brother-in-law of Suyanto Bin Osman has interests; and

(e) Company in which William Wei How Sieng (a director of a subsidiary) has interests.

(f) Company in which Datuk Abdul Hamed Bin Haji Sepawi and Datul Hasmi Bin Hasnan have interests;

NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – FOURTH QUARTER ENDED 31 DECEMBER 2006

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

(I) Review of performance

The Group recorded revenue of RM531 million in the year under review as against RM423 million recorded in 2005, an increase of 25%. Profit before tax for the year was RM109 million against RM123 million achieved in 2005.

Contribution to revenue from the construction increased from 23% in the preceeding year to 50% in the current year.

Our provisional results for 2006 are slightly below expectations, with earnings of 28 sen per share compared to 32 sen in 2005. This is a little disappointing for all of us at the Naim Group, as it is the first and only time that we have performed below expectations in 11 years of operation. There were a number of factors affecting our overall performance, most important of which were delays in the commencement of two major construction projects, a general increase in building material costs (which have now stabilized) and a distinct softening of the property market in Kuching, particularly in the demand for high-end properties. The low and medium cost housing demand in Miri and the rest of Sarawak remained firm.

Unfortunately, the delays to the projects, the Bengoh Dam and the Sibu-Matadeng Road, were beyond our control as they involved design and land acquisition issues which we have been working to resolve in partnership with our client, the Sarawak State Government. Both projects are expected to commence in the near future and contribute to revenues for 2007 and beyond.

(II) Comparison with preceeding quarter's results

The Revenue for the current quarter was RM202 million, compared to RM180m million as recorded in the immediate preceeding quarter. Profit before tax was lower at RM38 million compared to the RM48 million achieved in the previous quarter.

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

(III) Prospect for 2007 and beyond

(The prospect for 2007 and beyond should be read in conjunction with the cautionary statement on page QR-19)

Property

On the property front, we expect 2007 to be another successful year. We have been aggressively expanding our land bank and are close to concluding the acquisition of six strategically located land packages in fast-growing urban areas, with a total area of approximately 660 acres. Using conservative calculations, this represents a possible GDV of RM1.7 billion. Adding this to our existing 2,400-acre land bank with its estimated GDV of RM3.1 billion, we will have a land bank of 3,100 acres with a total estimated GDV of RM4.8 billion.

This expanded land bank will allow us to further strengthen our position as Sarawak's leading developer. According to leading property consultants CH Williams Talhar Wong and Yeo Sdn Bhd, the average annual demand for new residential properties in Sarawak will be around 15,800 per annum between now and 2010. In our target markets, this breaks down into 5,200 new homes per annum in the Kuching/Samarahan area, 2,800 new homes per annum in the Bintulu area, and 2,700 new homes per annum in the Miri area. Our projections suggest that we can capture at least 3,000 of the 5,200 annual demand in Kuching, 2,000 of the 2,700 demand in Miri, and 1,000 additional homes in Bintulu. In other words, we have sound reasons to believe that we can achieve the construction and sale of over 6,000 new homes per annum by 2012.

We continue to have great confidence in Sarawak's property market, for a variety of reasons, of which two stand out as being the most significant.

1. Population Growth: Sarawak's young, ambitious and upwardly mobile population is growing at between 3% and 5% per annum in urban areas and 2.5% overall, fuelled not only by a high birth rate, but also by substantial urban-rural migration as the state develops and industrializes (sources: Population & Housing Census Report, 9th Malaysia Plan). As a result, the state has the third highest level of overall housing requirements in Malaysia, at 65,000 units between 2006 and 2010. The only states with greater housing needs, namely Selangor and Johor, have far larger populations and thus Sarawak enjoys the highest per-capita demand of the three (source: 9MP, Credit Suisse)

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

(III) Prospect for 2007 and beyond

2. Spin-Offs from Mega-Projects: A number of major infrastructure projects, including the Bakun Hydro Dam and other proposed hydro projects, Malaysia's largest pulp and paper mill, and a proposed aluminium smelter, as well as the dramatic expansion of the oil and gas industry, will not merely provide secure and well-paying jobs for potential home buyers. They will also involve huge capital injections
into the state's economy, enriching local entrepreneurs across a wide range of categories and providing liquid cash for property and real estate investment.

Construction

We are equally confident of increased growth and profitability in our construction and civil engineering activities, again for a variety of reasons. For example, the delay in the Bengoh Dam project has led to the issue of a new Letter of Intent by the State Government, upgrading the contract to Design and Build. This will increase the overall contract value, and will also allow us a freer hand in the implementation of the project. Our ongoing projects (with a total contract sum of almost RM2.2 billion) continue to hit their respective targets either on schedule or ahead of schedule, and are expected to contribute to profits as previously forecast. They will also allow us to establish an important milestone for the group, as we look forward to a grand total of RM1.5 billion (including construction for inhouse projects) of contracts completed by April of this year. Finally, work has now started on the RM620 million Syarikat Perumahan Nasional Berhad housing project with sites in Kuching, Kota Samarahan and Miri, which is expected to contribute to profits starting this year.

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

(III) Prospect for 2007 and beyond (continued)

For the medium term, profits should be boosted by a number of major new contracts. Most important of these is the Kuching Flood Mitigation Scheme for the Drainage and Irrigation Department, Sarawak, for which a Letter of Intent has been received. According to the project design consultants, the scheme is likely to have a contract value in the region of RM1.6 billion (inclusive of land acquisitions), although it may be implemented in stages depending funding arrangements and other considerations. This project will be undertaken jointly with Ambang Project Management Sdn Bhd. In our opinion, the key factor in securing this high-value negotiated contract has been our solid track record of timely completion and excellent quality. With the award of this high-value, high-profile project, our total order book now stands at over RM3.5 billion. However full order books eventually become completed projects and therefore - in order to secure construction revenues and profits for the longer term - we are currently bidding for various major infrastructure projects, including oil and gas related projects, whose estimated value is RM8.0 billion over the next five years.

Please note that the order book value of RM3.5 billion given above includes projects at the Letter of Intent (LOI) stage. Given our track record and past experience, we are very confident that these LOIs will become firm orders, although this cannot be guaranteed.

To further increase the long-term value of our construction and civil engineering activities, as well as to minimize business risks associated with a comparatively narrow client base, we are seeking to diversify beyond mainstream government contracting and establish our presence in the rapidly expanding oil and gas sector. To this end we have set up a new Oil and Gas Division headed by our Senior Head of Construction, Gordon Kab, who has more than 15 years experience as a senior project manager with Shell Malaysia. We have already achieved the status of a Petronas-licensed contractor (Major Construction and Civil Works), and are in the process of upgrading this license to include M&E.

We have formed a consortium with international pipeline fabrication specialists including the world-renowned Nacap Group to bid for the upcoming Sabah-Bintulu Gas Pipeline project. This is a turnkey ECCT project with a contract value expected to exceed RM1 billion, whereby Nacap Group would provide the pipeline fabrication and implementation expertise and Naim Group would

(III) Prospect for 2007 and beyond (continued)

provide the civil works component, as well as our in-depth knowledge and experience of local terrain and conditions.

Cautionary Statement Regarding Forward-Looking Statements

This release contains certain forward-looking statements with respect to the financial condition, results of operations and business of Naim. These forward-looking statements represent Naim's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Written and/or oral forward-looking statements may also be made in periodic reports to the Securities Commission, Bursa Malaysia, summary financial statements to shareholders, proxy statements, offering circulars and prospectuses, press releases and other written materials and in oral statements made by Naim's Directors, officers or employees to third parties, including analysts.

Forward-looking statements involve inherent risks and uncertainties. Readers should be cautioned that a number of factors could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward-looking statement. Forward-looking statements speak only as of the date they are made, and it should not be assumed that they have been reviewed or updated in the light of new information or future events.

Changes on the Corporate Front

Over the past year we have been carrying out a far-reaching process of self-examination as part of our ongoing business process re-engineering programme. In other words, we have been taking a long, hard look at how to build on our success and take the Naim Group to the next level of corporate performance. As a result of this period of self-examination and re-evaluation, we will be embarking on a management restructuring, process re-engineering and a comprehensive corporate communication and brand-building exercise which will start to bear fruit during the coming year.

(III) Prospect for 2007 and beyond (continued)

Management Restructuring

In addition to being a provider of mass housing, we will be establishing a new division specifically to implement lifestyle housing in some of our strategically located properties. We will also be looking at oil and gas related activities, utilities, project management while at the same time strengthening our property investment division to prepare for REITs.

As the Naim Group has grown and expanded, we have become increasingly aware of the importance of consistent professional leadership and of having a clear programme of management succession. Therefore we have taken the decision to appoint a new Deputy Managing Director/Deputy CEO to strengthen our management team and prepare for the next level of growth. We are fortunate indeed, therefore, to be able to announce the appointment of Dr Sharifuddin Bin Abdul Wahab.

Most of you will need no introduction to Dr. Sharifuddin, who has already served as an Independent Non-Executive director since 2003. A corporate figure and hands-on leader of the highest calibre, he has a track record of continuous success as Chief Executive Officer of a multinational company with a presence in over ten countries in Asia. We are extremely confident that Dr Sharifuddin will provide the leadership skills necessary to take us to the next level of corporate achievement, and his appointment marks a further step towards our long term goal of implementing “Management by Professionals” in every area of our business activities.

To ensure continuity and to build on our existing achievements, Dr Sharifuddin will be assisted and supported by our current team of Executive Directors and Senior Managers. They include Ir Suyanto Osman (Senior Executive Director, Construction & Business Development), Ahmad Abu Bakar (Senior Executive Director, Finance and Operations), Gordon Kab (Senior Head of Construction), Vincent Kueh (Senior Executive Director, Property) and Radzali bin Alision (Head of Property Investment and Overseas Business). Their profiles can be viewed on our website at www.naimcendera.com

We will continue to recruit only the best people for the job in order to ensure that we can continue to provide the best products to our customers and stakeholders.

(III) Prospect for 2007 and beyond (continued)

Corporate Image and Public Profile

As well as developing a more proactive approach to communicating with shareholders, other stakeholders and the general public, we will also be seeking to raise our profile in potential new markets. Of the various initiatives and activities we plan to undertake, probably the most important will be the opening of a new representative office in Kuala Lumpur in the second half of this year. In addition, we are planning to integrate and streamline all of our promotional activities in order to present a consistent and coherent set of brand values to our customers and to the public at large.

Corporate Governance Score

We at Naim Group have always believed that communicating transparently, candidly and effectively with shareholders is not only a duty, but also a powerful tool for building reciprocal trust, mutual respect and shared values. Therefore we were delighted with the findings of the 2006 Corporate Governance Survey Report, a joint study by the Minority Shareholder Watchdog Group and the University of Nottingham Business School. The report, based on a survey of the top 200 companies by market capitalization, ranked the Naim Group top among Sarawak-based companies listed on Bursa Malaysia for compliance with local and international corporate governance principles and best practices. Although we were only listed 3½ years ago, we were also ranked amongst the top 10% of all Malaysian companies, were second overall in the property sector, and were one of only four companies in Malaysia to provide detailed disclosure of Directors' remuneration.

A Final Word

We look forward with confidence to double-digit growth over the next three to five years, and to continuing prosperity into the foreseeable future.

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

	12 months ended 31 December 2006 RM'000	12 months ended 31 December 2005 RM'000 (Restated)
Current tax expense		
Malaysian - current	37,607	48,187
- prior	-	164
Deferred tax expense		
Malaysian - current	(4,024)	(14,211)
- prior		13
Total	33,583	34,153

(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 December					
	Quoted shares		Unit trust		Total	
	2006	2005	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost	637	637	188	179	825	816
Carrying Value	325	325	125	116	449	441
Market Value	873	455	198	185	1,071	640

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	Variation 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	(2,003)	-	5,397
Purchase of information technology systems	3,082	(3,079)	-	3
Repayment of bank borrowings	7,430	(6,857)	-	573
Listing expenses	4,600	(4,523)	(77)	-
Working capital	13,035	(13,112)	77	-
	60,547	(35,613)	-	24,934

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

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 December 2006 RM'000	2005 RM'000
Current				
Secured	-	Hire Purchase	563	184
Non-Current				
Secured	-	Hire Purchase	1,126	51
			1,689	235

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 plantiffs.

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. The suit therefore does not have any material impact to the Group as the affected land area does not fall within the Group's development plans for the next five years.

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

(XII) Dividend

	RM'000
Total dividend paid for the financial year ended 31 December 2006 to date	26,406
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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 year divided by the weighted average number of ordinary shares in issue.

	12 months ended 31 December	
	2006	2005
Net profit attributable to shareholders of the Company (RM'000)	67,276	79,145
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Weighted average number of ordinary share in issue ('000)	244,492	247,035
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Basic earnings per ordinary shares (sen)	27.52	32.04
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